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Editorial AS WE SEE IT

The President with active assistance of the Secretary of Labor is promoting a series of labor-management conferences on broad economic issues. George Meany, President of the AFL and CIO, suggested some such program last fall in wake of the long and costly steel strike, and Washington officials are said now to be hopeful that it will get under way in the early future—with the government taking no part except to prod labor and management to proceed with vigor. Mr. Meany expresses the opinion that a "lot of good" could come out of these meetings, which, according to some reports, may presently get down to an industry-by-industry basis. Apparently, officials and others feel that talks of this sort, not when the heat of strikes or threats of strikes is on, but when the atmosphere is calm and presumably somewhat more conducive to the meeting of minds, might succeed in preventing or at least reducing the number of strikes.

We wish we could feel as optimistic about probable achievement in this way. Of course, it is conceivable, although by no means certain, that personal contacts in quieter times would lessen the bitterness which sometimes characterizes these labor controversies that beset us from time to time, but just what "broad economic issues" could be dealt with in a manner to lessen industrial relations conflicts in the future we are somewhat at a loss to know. Most of these labor "settlements" embody and will, we suspect, continue to embody, what the labor unions think they can get and can force management to grant and what management feels that it is in the circumstances obliged to grant. In very brief, these bargains are made in the market place and the market place is the final arbiter—with one side unfortunately free to monopolize and the other without any such privilege.

Hobbled Market Place

The trouble, or at least one part, is not that the market place is where the bargainers (Continued on page 20)

Funds Step Up Selling of Common Stocks As the Market Declines

By A. Wilfred May

Analysis of investment companies' portfolio operations during March quarter's falling stock market reveals increased disposal of equities. This reversal from the last quarter of 1959 was particularly pronounced in the case of the closed-end companies and also the balanced open-end companies. Most widely sold groups included airlines, aluminum, coppers, rails and steels. Buying predominated in banks, chemicals, foods, gold, tobacco, and utilities. Most frequently liquidated issues were American Airlines, Pfizer, Chrysler, and Jones & Laughlin. Most favored issues were IBM, ATT, Swift, and Gillette.

The investment company industry during the year's initial quarter found itself dealing with one of the severest general market declines of recent times. The Standard & Poor's Composite Index of 500 Stocks experienced a net decline of 7.6%, the S & P Index of 425 Industrials fell 8.5%, and the "blue chip" Dow Jones Industrials shed 9.2% (with an extreme intra-quarter markdown of 11.8% registered on March 8). The corporate bond market, on the other hand, showed a net gain of 3.4%, and the preferred stock market one of 3.9%.

During the quarter there was a distinct step-up in the selling of portfolio common stocks, in contrast to the accelerated buying of last year's final quarter. Of the 87 investment companies with aggregate net assets of \$12.6 billion here under review, the net sellers increased from 25 to 33 companies, while the net buyers declined from 52 to 50 (the balance in each period consisting of stand-offs). Notable is the increased prevalence of net sellers among the closed-end companies, which have complete freedom of action through the absence of the pressure generally exerted on the open-ends by continuing sales less redemptions of their own shares. Net sellers among the 14 closed-ends here under review increased from 7 to 11, with the re-

[Tables appearing on pages 28 and 29 show Fund's comparative investment positions; total common stock and other securities transactions; and individual common stock transactions by industry groups.]

sult in this period of an aggregate excess of dollar sales over purchases of portfolio common stocks.

The open-end funds, of course, remained net buyers in the aggregate. Their excess of common stock purchases over sales, however, shrank from 57.1% in the 1959 fourth quarter to 34.2%. This decline was concentrated characteristically in the action of the balanced funds, with their greater maneuverability than the stock funds. While in last year's closing quarter the balanced funds had bought 83.4% more equities than they sold, this excess dwindled to 15.8% in the latest quarter.

This "swimming with the market tide" by the portfolio managers in the latest quarter is by no means unprecedented. In the December quarter of 1959 as well as the final 1958 quarter, during each of which the market averages were advancing to new all-time highs, they went along in decisively stepping-up their stock buying.

The record of the open-end funds' sales and redemptions of their own shares shows absence of pressures to account for the changing portfolio policies. For example, the latest quarter's change to bearishness from the December quarter's bullishness occurred in the face of an actual increase of incoming investible funds, via net sales (sales less redemptions), to \$399 million from \$369 (with the latter having been subjected to further reduction by about \$100 million of year-end capital gains dividends paid in cash). And the closed-ends, which have shown high conformity with the changes in over-all investing policy, enjoy complete freedom of action, unaffected by sales or redemptions of their own shares.

Consistent with the still historically high interest rates, and the general revision in inflationary psychology, was the substan- (Continued on page 26)

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The Eagle-Picher Company is an outstanding example of the opportunities for profit where the proper ingredients of sufficient capital and an alert management team are joined. Any novice at investing in equities can easily learn the blue chips and because of their proven record a premium is usually paid in capitalized earnings for their shares. To spot a company on the move before it has achieved blue chip recognition is the aim of security analysts. I have chosen the Eagle-Picher Company because I believe it offers those qualities which, in the near future, will attract astute investors who will appraise its shares realistically and, thus cause it to sell on a higher multiple of earnings.

For 106 years the Eagle-Picher Company, founded in 1843, coasted along under an ultra-conservative management. In the vernacular, the stock was classified by many as a dog too long asleep. The element of time finally convinced a changing Board of Directors to seek out new leadership and in 1949 the present management was acquired. New ideas of product diversification, acquisition of other companies and sound fiscal policies produced a miraculous change.

Twelve years ago Eagle-Picher was essentially a zinc, lead and pigment producer. Today the company is known as a "Manufacturer's Manufacturer" making such items as molded and extruded rubber products, foundation panels and other fiber products for the automobile industry, wax paper and cellophane wrappers, and plastic products; porcelain enamel frits for home appliances and porcelain enamel buildings for major marketers of petroleum products; home and industrial insulation products, diatomaceous earth products; and is engaged in the mining and smelting, manufacture and distribution of lead, zinc and allied products. It is interesting to note that Eagle-Picher is the largest producer of germanium metal in the United States. This is the basic metal used in the manufacture of transistors and one of the most rapidly developing products in the electronics field. Nearly 70% of Eagle-Picher's products sales today were not manufactured by the company ten years ago.

During the last eleven years sales increased from \$63.3 million to \$120.9 million in 1959. Earnings per share adjusted increased from \$1.41 to \$2.29. Net worth likewise increased from \$11.74 to \$20.95 per share. Dividend pay-out,

which has averaged about 42% of earnings, increased from 82¢ to \$1.10 per share and is presently \$1.20 per share. During this period the company has spent roughly \$60 million on capital improvements and acquisitions, about equally divided between the two. All of the necessary funds came from within or retained income except for an increase of \$7.5 million borrowed money.

Financial reports on this New York Stock Exchange listed company are readily available in all statistical services and their built-in capital reserves are most interesting. Its long term debt amounting to \$14 million payable through 1974 carries a very low interest rate of 3 3/4%. Its current assets are roughly four to one and for those who wish to dig deeper into this company's qualifications, I refer them to a special audit No. 158 prepared in January 1959 by the American Institute of Management. Under this rating The Eagle-Picher Company was given an analysis rating grade of 84 3/4%.

Prior to the above discussed transition Eagle-Picher earnings were subject to wide swings

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Steel Co. of Canada

History

Stelco was founded in 1910 as a merger of five leading Canadian steel companies through the skillful promotional efforts of W. M. (Max) Aitken, a young Canadian who was later to become famous as Lord Beaverbrook, member of the British Parliament and an eminent newspaper publisher. The merger created the first integrated steel enterprise and the largest basic steel producer in Canada. In spite of the strongest competition from steelmakers in Great Britain and the United States with populations many times that of Canada, Stelco prospered from the outset.

In the early years of its operation, the settling of the Canadian West caused a good demand for steel in railway supplies, agricultural equipment and home construction and materially helped



Charles King

CAPITALIZATION

Long-Term Debt: \$14,000,000 3 3/4% notes; \$1,000,000 payable each year through 1974.

Capital Stock: 2,044,454 shares (\$5 par).

TEN-YEAR RECORD ADJUSTED

Year Ended	Sales Millions	Earnings Per Share	Common Share Divs. Pd. \$0.57 1/2	Book Value Common Share	(%) Data — Price Range — High	Low
Nov. 30						
1959	\$120.93	\$2.29	\$1.10	\$20.95	28 3/8	21 3/4
1958	98.13	1.04	1.10	19.93	22 7/8	13 7/8
1957	117.75	2.12	1.10	19.95	23 3/4	13 5/8
1956	116.41	2.94	1.06	19.83	24 1/4	18
1955	114.48	2.53	0.86	18.10	20 1/8	13 1/2
1954	83.23	1.24	0.75	16.44	14 3/8	9
1953	85.03	1.64	0.75	15.93	11 7/8	8 3/4
1952	81.89	2.04	0.72	15.06	12 1/2	9 1/2
1951	82.09	1.87	0.67 1/2	13.68	13	9
1950	69.12	1.47	0.61 1/2	12.63	11	7 1/4

(This is under no circumstances to be construed as an offer to sell, or as a solicitation of an offer to buy, any security referred to herein.)

This Week's Forum Participants and Their Selections

The Eagle - Picher Co. — Alfred R. Hill, Partner, Hill & Co., Cincinnati, Ohio. (Page 2)

Steel Company of Canada — Charles King, Partner, Charles King & Co., New York City. (Page 2)

caused by inventory fluctuations of lead and zinc. Since acquisitions of new product lines and through prefabricating lead and zinc products for finishing manufacturers, the wide fluctuations associated with lead and zinc prices do not influence the profits of Eagle-Picher as they did before. All indications point to increased sales and profits in 1960 with accredited services predicting earnings as high as \$3.00 per share.

With its sound programs for internal and external expansion, there is every reason to expect the company to show as great a change and development in the next ten years as in the past ten. If so, shareholders should receive considerably larger dividends and worthwhile capital appreciation.

Stelco to build a solid foundation for the successful years to come. Again in 1960 a favorite climate exists for the expansion of steel operations in the Canadian West but on a vastly bigger scale. The advent of export of natural gas to the United States will be a real stimulant and the pattern for a fresh period of growth is being laid out by Canada's oil and gas industry. Direct expenditures are expected to total about \$500 million during the next two years for additional transmission facilities, development of additional gas reserves, field gathering systems and processing plants. Many times this amount will be spent over the next decade from activity generated in other areas of industry. All this gives promise of greater steel demand.

Tubes and pipes constitute approximately 35% of Canadian steel productive capacity, and Steel of Canada is well entrenched in this branch of the business. In 1957, Stelco further strengthened its position by forming an association on an equal basis with Page-Hersey Tube Ltd., a leading Canadian pipe and tube manufacturer, in the construction of a \$10 million pipe mill at Welland, Ontario under the name of Welland Tubes Ltd., to produce electric-welded pipes from 20 inch to 36 inch outside diameter with an annual capacity of 200,000 tons. Also, the same partnership recently completed another \$10 million pipe mill at Edmonton, Alta. This will be operated by the Camrose Tubes Ltd., and will produce pipe from 16 inch to 42 inch in outside diameter, with a capacity of 325,000 tons annually. Interest in these two pipe plants gives Stelco additional outlets for steel and places the company in a strong position to participate indirectly in the expected demand for large-diameter pipe for gas pipelines.

Plants and Operations

The company is engaged in all branches of steel production, operates 11 plants in Ontario and Quebec. Iron ore is obtained from 14 U. S. properties partially owned, one in Quebec and one in Newfoundland fully owned. Coal is furnished by four U. S. wholly-owned properties. Annual capacity of steel ingots is 2,500,000 tons. The principal steelmaking plant is at Hamilton, Ontario and semi-

Continued on page 44

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Current Problems in the Bond and Money Markets

By Robert G. Van Cleave,* Vice-President, Research, C. F. Childs and Co., New York City

Using the comparative year 1956, bond specialist ticks off factors supporting the hypothesis of a bullish market in 1960 but wonders whether this thesis will turn out to be as incorrect as it was in 1956. Mr. Van Cleave compares 1956 and 1959 forecasts; emphasizes that to be right on the long-run trend one must similarly be correct on the short-run trends; and points out, despite the presaging evidence to the contrary, that interest rates did not go down in 1956.

All the current problems in the bond and money markets boil down into one basic puzzle: How to forecast future trends of bond prices and interest rates. This is not an easy one, because the question has two parts.

To be successful, one must not only be right on the long-run trend, of say a year or more, but also on the short-run, of days, weeks or months. The long-run after all is really a series of short-runs. And in the short-run, mass psychology has an overwhelming part. One is forced to try to guess the reaction of the market to actual developments, and to the probability of other developments that may (or may not) appear in the future. Will the Federal Reserve raise (or lower) the discount rate? Will the Congress persist (or relent) in its refusal to raise or remove the 4½% bond rate ceiling? Will business boom, or be merely good?

The current situation, in fact, comes pretty close to the generalized speculative market only half-humorously described by the late John Maynard Keynes. He said that the problem presented to the speculator is to guess, not what the available facts mean, nor even what majority opinion will think they mean; rather, he must guess what the majority will think the majority opinion on the facts will be. He called this third-degree guessing.

I hesitate to use the word "speculative" in connection with our bond market, because I am usually unable to make clear what I mean by it. Some friend will nearly always write in to rebuke me for what he takes to be an invidious implication. Whereas I intended nothing of the sort. By operations based on a speculative motive I mean only that an investor, in determining present policy, must take into account his own estimate of what future conditions will be. Thus if you believe new bonds offered to you hereafter will carry lower coupons, you will take as many of those currently offered as you possibly can, and insist that they carry non-callable provisions. If your projection of your deposit trend is favorable, and your ap-

praisal of the outlook for residential housing suggests a decline in the future supply of new mortgages, you probably will increase your backlog of commitments as much as you can.

The market is always trying to anticipate; to "discount" future conditions in advance. Moreover, it is always trying to lengthen the period in which the future is discounted. How otherwise can the bull market in bonds in the first quarter of this year be explained? To find a rise in Treasury bond prices of comparable size, one must go back to the 1953-54 and the 1957-58 markets. The first of these lasted about 12 months, and the second, six months. In both cases the bull market coincided fairly well with the period of a business recession. But the recent rise took place in the space of only three months, and wholly in advance of business recession.

Now, to get down to practical matters, I think it will be helpful, first, to review briefly some of the major points which have been advanced early this year to justify expectations of lower rates and higher bond prices. Second, I shall compare this outlook with that of another period when the arguments were much the same, and, third, we shall examine the results to see how the forecasts worked out.

Case for Lower Rates and Higher Bond Prices

(1) Business trends are leveling off, or, at best, prospects are less boomy than was expected as the year began. Fewer houses will be built; fewer autos produced and sold. To justify higher interest rates, a real boom is required.

(2) As business levels off, the demand for funds will be less. In particular, business corporations will need to borrow less, both because of smaller needs for funds and because of higher cash flows. Even if projected higher spending for plant and equipment actually takes place, all or a large part of the funds required will be provided by internal resources.

(3) Because of the lesser demand for credit, banks will make fewer loans than last year, and therefore will need to sell smaller volumes of Treasury securities. This will remove pressure of supply from the market. Sometimes this is turned around: Because of high loan-deposit ratios, banks will be unable or unwilling to supply new loans this year, and

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†See article on cover page dealing with results of our Quarterly Fund Survey.

*See cover page article.

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The Dependable Utilities

By Dr. Ira U. Cobleigh, *Enterprise Economist*

A review of the basic attraction of electric utility equities, together with a few selections for possible current investment.

When there is such a notable absence of "positive thinking" about a whole group of industrial securities in today's market, it's nice to return to that old standby, the electric utility industry. While utility shares, since the era of the holding company 30 years or so ago, have not appeared among the spectacular and flamboyant market performers, their long run record has been quite remarkable. Many companies operating in rapidly growing sections of the country, and under a considerate regulatory climate, have been able to increase their earnings at a rate of 8% annually or more, and there are several companies (American Electric Power, Virginia Electric Power, Florida Power, Central and Southwest, Texas Utilities, Long Island Lighting, etc.) which have increased their dividends at least 4 times in the past decade.

Continued Growth

Moreover, this industry - wide growth shows no signs of abating. The Edison Electric Institute has projected an increase in annual electric power production of 110% in the next decade; and the average rate of residential use, per customer, has been in an uninterrupted long term uptrend. The average householder used 2,751 kwh in 1955. The figure will be close to 4,000 kwh by the end of this year.

Not only has this growth been impressive and consistent but it has been quite impervious to recession. For example, in the general industrial declines of 1949, 1952 and 1957, the net earnings of electric utilities continued their forward motion and some even increased their dividends in those years. Accordingly, selected utility stocks today are getting renewed attention, and attracting new shareholders, not only because of their past record of growth but because of their demonstrated depression - resistant qualities, both in respect to earning power and share prices in the market.

The purchaser of utility shares has a wide selection from which to choose. If his objective is for above-average yield he can find a number of issues returning 5% and over. (Niagara Mohawk at 35 paying \$1.80; New England Electric at 20 paying \$1.08; Public Service Electric and Gas at 35 paying \$1.80). There are companies serving areas of moderate growth where comfortable yields are combined with legitimate

prospects for share price advance (Kentucky Utilities, Cleveland Electric Illuminating, Central Illinois Public Service, Kansas Gas and Electric, etc.). And there are companies which sell at a quite high price earnings ratio because of an unusually rapid growth rate. These would include such companies as Florida Power, Florida Power & Light, South Carolina Gas & Electric, Southern Company, Texas Utilities, Virginia Electric and Power.

Rather than generalize further it might be well to look at a few companies to see just what your investment dollar can now buy in the way of yield, price and expectation for dividend increase.

Commonwealth Edison

The third largest electric utility in America is Commonwealth Edison. Most people think of it as a "big city" utility but actually it has become "suburbanized" at a very rapid rate. Right now 37% of revenues are from residential customers and within two years over 50% of gross will be coming from the suburbs. Few utilities have been doing a better job at selling electric heating; and of course, appliances are just as popular in the Chicago area, as in Dallas or Seattle.

Commonwealth has been increasing its net earnings at as fast a rate as any other major metropolitan utility (with the possible exception of Houston Lighting and Texas Utilities). The net per share was \$3.67 in 1958, up from \$3.28 the year earlier.

Commonwealth Edison has been noted for quality management and ranks very high in total efficiency. Its plant expansion program expended over \$1.2 billion in the 1950 decade and increased generating capacity by over 80%. Expansion is continuing and common shareholders are particularly pleased that the program in view does not involve dilution of common stocks equity. Retained earnings and sale of debt securities are projected to supply the \$700 million for the plant additions scheduled till the end of 1963.

In 1958, Commonwealth Edison embarked on a unique dividend policy that has conserved corporate cash and pleased the shareholders. Dividends are planned to distribute in full the earnings of a calendar year by payment of one-half in cash and one-half in stock. For 1959 this amounted to \$2 in cash and 2½% in a stock dividend.

Because of the sustained qual-

ity of Commonwealth Edison common, its imaginative dividend policy, above average growth rate and moderate pricing (15 times earnings) an excellent case can be made for acquisition of this common stock at around the 58 level. The forward motion is attractive and the defensive elements sturdy.

San Diego Gas and Electric

San Diego Gas and Electric has been one of the less accented growth companies but its advances in the past two years deserve special consideration. San Diego is now the 19th city of the nation in size, and the utility now has a population, in its service area, of above 1,050,000. There is a nice balance between industrial, residential, farming, and Government (Naval Bases) business.

Thanks to increased rates which became effective in November, 1958, operating revenues and net income advanced impressively in 1959. Operating revenues increased by \$10½ million (over 1958) to \$70.9 million, while net per share rose from \$1.32 in 1958 to \$1.66 last year. The dividend on the common was increased from 96c to \$1.12 per share—the fourth dividend increase in six years.

For this year we would expect a net of \$1.80 per share and on that basis another dividend boost would not seem illogical. As it is the stock sells at 25 which is about 14 times earnings. This is an unusually low ratio for a utility of this quality and earnings velocity. About 70% of gross is from electricity and 29% from gas, with a little steam heating on the side. It's difficult to reach a conclusion that San Diego Gas & Electric common is over-priced at 25.

Florida Power & Light

This company consistently sells on one of the highest price/earnings ratio and lowest yield basis of any company in the business. Yet its market action has been exceeded by few electric companies—the stock had doubled in price within the past four years.

Florida Power & Light has a lot of things going for it—territory, management, favorable regulatory climate, and rapid rise in electric utilization, especially air-conditioning and space heating. In the past five years per share earnings have averaged a 17% annual increase.

The service area embraces some 480 communities including Miami and Miami Beach, Fort Lauderdale, Coral Gables, West Palm Beach, Hollywood, Daytona Beach and Sarasota. Within the past eight years the number of residents in the Florida Power & Light Service area has risen 72%. In the 10 year period 1949/58 the number of customers rose 116%, annual sales per customer 103%; and generating capacity 235%. This company is the bell wether of the growth electrics. Operating revenues have climbed from \$45.9 million in 1950 to \$154.85 million in 1959; and in the same period per share net has grown from 61c to \$1.93.

Dividends are based on a 7% payout on the book value of common. As a result of this policy, dividends have been increased in each year since 1950—an amazing record. No wonder people are willing to pay 27 times earnings for this one. Price 57 on the New York Stock Exchange.

Utilities have made a lot of friends in the past 20 years. They should continue their ascent in respect to earnings, dividends and price.

Joins Leason Staff

(Special to THE FINANCIAL CHRONICLE)

CHICAGO, Ill. — Charles F. McKeel has become associated with Leason & Co., Inc., 39 South La Salle Street. He was formerly with the Chicago National Bank.

The State of TRADE and INDUSTRY

Steel Production
Electric Output
Carloadings
Retail Trade
Food Price Index
Auto Production
Business Failures
Commodity Price Index

The May Monthly Bank Letter of the First National City Bank of New York includes the following comment concerning the outlook for capital expenditures:

"From current and prospective business capital investment, it is evident that management has maintained confidence amid the flurry of disappointing developments earlier this year. Since the beginning of 1960, production of capital goods has been at record levels, while outlays on industrial, commercial, and utility construction have been near the 1957 peak. New orders for such key items as machine tools, non-electrical machinery, and structural steel increased in March over February.

"The most persuasive new evidence is the survey of plant and equipment expenditure plans, just published by McGraw-Hill, and conducted in late March and early April, when businessmen had had ample opportunity to review their plans in light of early 1960 experience. This survey reports that business investment scheduled to increase 16% in 1960 over 1959, compared with a 14% rise indicated by a similar survey made in January and February by the Department of Commerce and the Securities and Exchange Commission. Last October, when McGraw-Hill made a preliminary check of 1960 investment plans, an increase of only 10% was anticipated.

"Altogether, business expects to spend a record \$37.9 billion on new plant and equipment during 1960, topping the previous peak of \$37 billion in 1957. Manufacturing firms anticipate outlays of \$15.2 billion, an increase of 26% from 1959, but not quite up to the 1957 mark of \$16 billion. Significantly, 80% of 1960 expenditures in manufacturing will be for machinery and equipment, and only 20% for buildings. The emphasis is on modernization, not on expansion. The main reason for this is the already ample capacity in many lines. Manufacturers reported that at the end of 1959 they were operating at 85% of capacity, compared with their preferred operating rate of about 94%. On the whole, capital outlays in 1960 are expected to

add about 5% to existing capacity—the smallest increase in 10 years, except for 1958. Outlays on research and development, at a record \$9 billion in 1959, are expected to rise to \$9.6 billion in 1960."

Bank Clearings 4% Above Corresponding Week Last Year

Bank clearings this week will show an increase compared with a year ago. Preliminary figures compiled by the "Chronicle" based upon telegraphic advices from the chief cities of the country, indicate that for the week ended Saturday, April 30, clearings for all cities of the United States for which it is possible to obtain weekly clearings will be 4.0% above those of the corresponding week last year. Our preliminary totals stand at \$27,037,574,378 against \$26,002,452,228 for the same week in 1959. Our comparative summary for the principal money centers for the week ending April 30 is as follows:

Week Ended	1960	1959	%
Apr. 30—			
New York...	\$14,097,949	\$13,684,546	+ 3.0
Chicago....	1,209,387	1,247,874	- 3.1
Philadelphia	1,155,000	1,238,000	- 6.7
Boston.....	851,411	810,444	+ 5.1

Further Declines in Steel Operating Rate Indicated

The rate of new steel orders continues to be disappointing, the "Iron Age" reports.

Scattered pickups in new orders and new buying by automakers have injected some regional optimism, the national metalworking weekly says. But the overall rate of new business is well below current shipments.

This means that the operating rate of the steel industry will drop off sharply through the remainder of the second quarter and through most of the third, the magazine says.

Operations for the second quarter will average, at best, possibly 75% of capacity. A rate of 70% is likely in the third. But the magazine points out that an average of 70% in the third quarter means that the operating rate will drop well below that point before turning upward.

The ratio of new orders to



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consumption is still not in balance. For some major mills, the rate of incoming orders for May is less than 50% of capacity. Mills are living on their backlogs, rather than new business.

Some cheerful notes are scattered in the generally gloomy reports. Automakers have restored some of their cuts in May and June tonnage. Good sales reports may mean a higher production of 1960 models.

Seasonal factors are now reflected in some upturn in steel used in construction.

In spite of the overall gloomy market picture, the steel industry is going ahead with its capital spending plans for 1960. Most of the spending is for new equipment to increase efficiency, and cut costs, and improve products.

Price softness continues, particularly in products affected directly or indirectly by imports. Wire producers have lowered prices on welded wire fabric and baling wire. However, imports are still selling below the domestic prices.

Conversely, the "Iron Age" reports substantial orders for sheet placed at midwest mills for export through the St. Lawrence Seaway. Most of it is for wide sheet going to Great Britain for automobile production.

Steel Users Holding Inventories To Minimum Level

Steel users are demanding fast deliveries, "Steel," the metalworking weekly, reported May 2. Their insistence on quick deliveries stems from their desire to keep steel inventories at a minimum, not from any spurt in consumption.

They have three good reasons for believing that there's no great risk in keeping minimum stocks: (1) The mills have ample capacity for every product. (2) There's no threat of another strike until June 30, 1962. (3) Prices aren't likely to rise before December when wage rates go up.

A survey of metalworking purchasing agents by "steel" shows that 57% expect to hold steel deliveries at the present levels through the third quarter; 34% expect stocks will be reduced slightly; and 9% expect to increase inventories by Sept. 30.

Last week, U. S. steelmakers boosted their operations 0.9 point to 79.4% of capacity. Production was about 2,261,000 ingot tons. April output was about 9.9 million ingot tons (vs. 11.6 million in March).

"Steel's" price composite on the bellwether grade of scrap, prime heavy melting, remained at \$33.66 a gross ton for the fourth consecutive week. The market tone is weak, with domestic buying light.

The import threat is persisting, the magazine said. Steel imports during January and February were coming in at an annual rate of 5.5 million tons a year, substantially higher than they were in 1959. The rate is causing concern among steelmakers who had expected imports to slacken this year.

Heavy imports of butt-weld pipe were cited by one American steelmaker last week as a reason for its decision to suspend pipe production and lay off 1,500 workers. Competition from foreign pipemakers is especially serious on the West Coast.

It is possible that some steel imports are coming in on contracts signed during the time users feared a shortage at domestic mills.

"Steel's" editors, who are on a coast to coast air safari to check the business outlook with industrial leaders, found last week there is little reason for pessimism in the Eastern states.

With few exceptions, executives are optimistic. Most had excellent first quarter sales and look for the second quarter to be slightly better. They expect to stay on that high sales plateau for the rest of the year. There's no talk of a recession—few indications of a boom. Rather, they say you can expect a solid year. Metalworking sales will reach a new peak, but it won't be far above last year's.

This Week's Steel Output Based On 74.8% of Capacity

The American Iron and Steel Institute announced that the operating rate of the steel companies will average *132.7% of steel capacity for the week, beginning May 2, equivalent to 2,132,000 tons of ingot and steel castings (based on average weekly production of 1947-49). These figures compare with the actual levels of *137.6% and 2,210,000 tons in the week beginning April 25.

Actual output for last week beginning April 18, 1960 was equal to 77.6% of the utilization of the Jan. 1, 1960 annual capacity of 148,570,970 net tons. Estimated percentage for this week's forecast based on that capacity, is 74.8%.

A month ago the operating rate (based on 1947-49 weekly production) was *150.5% and production 2,417,000 tons. A year ago the actual weekly production was placed at 2,604,000 tons, or *162.1%.

*Index of production is based on average weekly production for 1947-49.

April Car Output Largest of Any Month Since 1955

Despite the fact that U. S. passenger car production for April will be at the lowest point for any month in 1960, output will be the highest for any similar month since 1955, "Ward's Automotive Reports" said.

Ward's estimated the month's industry production at 582,700 units, up 3,875 over the same month a year ago (578,825) and the best April total since 1955 (753,851).

Compact car production for the month was estimated at 165,500 units, equivalent to 28% of total industry car output, and compared with a 26% share in March when such output amounted to 171,240, "Ward's" said.

The statistical agency said "underbuilding" by at least two manufacturers and a supplier plant strike which crippled Falcon and Comet production in the

Continued on page 46

The British Credit Squeeze Raises Several Questions

By Paul Einzig

Economic writer questions the timing and choice of measures employed to prevent credit expansion, consumer demand and capital spending from overloading the capacity-producing British economy. The use of 1% "special" deposit to reduce banks' liquidity instead of raising interest rate or reserve requirement is construed as gross interference with banking bordering close to physical control. Attention is drawn to the failure of banks to comply voluntarily with the Chancellor's request to stop the lending spree, and to other factors causing inflationary fears. The writer criticizes the Government for not reducing its expenditures while acting on the private sector.

LONDON, Eng.—The announcement of the new credit squeeze measures ended the weeks of jitters that followed the warning given by the Chancellor of the Exchequer in his Budget statement. Ever since Budget day, the London Stock Exchange was alternating between fears and hopes—fears of severe measures and hopes that such measures might not, after all, be deemed necessary. But when the monthly figures of the commercial banks showed an increase of their advances by over £100 million, there could be no doubt that Mr. Amory would implement his warning.

There was, indeed, a "lending spree" on the part of the banks, and it is not easy to find justification for their attitude. Almost anyone approaching a bank for a loan was welcomed with open arms, and bank managers told them to send their friends and relations who would be equally welcome. Even though bankers must have realized that this credit expansion was endangering the uneasy equilibrium that has prevailed for nearly two years, none of them wanted to exercise self-restraint, for fear that the others would secure the business refused by those who would heed the official exhortations.

Why Threat to Inflation Resumed

In itself the credit expansion might not have led to a resumption of inflation. But simultaneously with it there was an expansion of public spending, an orgy of trade union claims for higher wages and shorter hours, and a sharp increase in profits and dividends. Between them, they presented a picture that no responsible authority in charge of monetary policy could possibly have disregarded. The credit expansion, together with the wage and dividend increases, caused an increase in consumer demand, and this was not likely to be offset this year by a corresponding increase in the output of consumer goods. At the same time, the credit expansion and the expansion of consumer goods demand encouraged industrial firms to embark on ambitious capital expenditure schemes which, however justified they may be in the long run, threatened to increase unduly the overloan on Britain's economy.

Since the banks refused to exercise self-restraint, there was nothing for the Government to do but intervene. The only question is whether it has intervened at the right time and in the right way. The timing of the latest measures is open to criticism. They ought to have been taken immediately after the general election in October, when the Conservative victory made a boom a certainty, or at any rate after the turn of the year, simultaneously with the increase of the Bank rate. Had all measures—Bank rate increase, withdrawal of official support from the gilt-edged market, credit squeeze and instalment credit restrictions—been taken simultaneously, it would undoubtedly have created a profound impression before the unwanted expansion reached an advanced stage.

The choice of the latest measures is criticized from various an-

gles, and some of the conflicting criticisms cancel each other out. Inflationists object to them on the ground that there is no justification for checking the increase in the output. What they don't realize is that, since a great many British industries are working to capacity, any further expansion of credit would merely finance higher wages instead of financing higher production. At the other extreme, the ultra-orthodox school which has come very much to the fore during the last year or two would have liked to see a return to the 7% Bank rate instead of the methods chosen by the Chancellor. The commandeering of 1% of the banks' deposits is resented as an artificial method of interference in contradistinction with discouraging borrowing by the "natural" method of raising interest rates to a prohibitive level.

Questions Timing and Methods Used

There can be no doubt that the system of "special" deposits with the aid of which the Bank of England seeks to reduce the banks' liquidity does constitute gross interference with banking. The British authorities and most financial experts refuse to see that the same end could be attained in a much more subtle way by adopting the American system of chang-

ing reserve requirements. Had a Labour Government introduced the system of special deposits in time of peace, a Tory Opposition would have protested against such a Socialistic measure. Yet when in office, the Tory Government does not hesitate to depart from its basic principles for the sake of resisting inflation by resorting to a method that is on the borderline of physical controls.

The restrictions on instalment credits which were reintroduced simultaneously with the reintroduction of special deposits are also subject to much criticism, even though it is obvious that the terms of such credits have become far too liberal.

Where the Government deserves criticism is in that its measures aim at restricting expenditure by the private sector of the economy while the Government, local authorities, and nationalized industries continue to expand their expenditure. It is mainly because the Government is unable or unwilling to exercise self-restraint that it has to restrain the expenditure of others. And nobody in an official position seems to have the courage to tell the trade unions that their excessive claims bear a large share in the responsibility for measures which are bound to hurt production and slow down the rise in the standard of living.

With Luce, Thompson

(Special to THE FINANCIAL CHRONICLE)

KANSAS CITY, Mo. — Roger N. Trankino has become affiliated with Luce, Thompson & Crowe, Inc., 105 West 11th Street, members of the Midwest Stock Exchange. Mr. Trankino was formerly with the Commerce Trust Company.

Two With J. Barth & Co.

(Special to THE FINANCIAL CHRONICLE)

LOS ANGELES, Calif. — Clark J. Bennett and Joseph D. Ryan have become connected with J. Barth & Co., 3323 Wilshire Boulevard. Both were formerly with Dean Witter & Co.

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TAX-EXEMPT BOND MARKET

BY DONALD D. MACKEY

Since the middle of March the tax-exempt bond market has quieted from the rather active pace set earlier in the year. For the past few weeks the *Commercial and Financial Chronicle's* State and Municipal bond index has indicated a gradual easing, pertinent more to the secondary market than to the unusually progressive market for new issues. During the past week this condition has rather quietly changed and our index (3.47% on May 4) rather than again indicating a slight increase in yields, shows no change from a week ago.

There were many good reasons for the uncertain market through April. In the judgment of municipal bond dealers, the more important ones involved a heavy calendar of new issues that had been gradually building up during this period, and the Treasury refinancing that presented the usual market uncertainty in both dealer and investor thinking. Moreover, during this period the secondary volume of tax-exempt bonds, as best portrayed by the "Blue List," was slowly building up to substantial proportions.

Lower Volume in Sight

The problem of new issue volume has been dispelled at least for a considerable period ahead. After yesterday's offering of \$133,410,000 New Housing Authority bonds, the current calendar will have been reduced to about \$230,000,000 which is a very small total, particularly for this time of year. Two weeks ago the calendar of announced issues totaled close to three-quarters of a billion dollars. In the meantime a fairly good job has been done in pricing and disposing of new issues. Also, the Treasury financing which totaled about \$6,400,000,000, is apparently being converted with ease. According to dealer reports, the attrition is likely to be less than 10%.

With this installment of debt conversion successfully concluded, the government market seems cleared of serious obstacles until July when announcements concerning the refinancing of \$9.5 billion 4 3/4% notes due August 15, may be made, concurrent with an announcement as to cash needs. In the meantime, however, municipal bondmen and investors, too, will be relieved of the imponderables involved in guessing Treasury financing terms, while trying to deal in tax-exempt bonds.

Inventory No Burden

The build-up of Street Float or dealer inventory has been accelerated during the past few weeks. The total of State and municipal bonds, as expressed by the "Blue List," is about \$381,012,500. Although this total has been considerably higher several times in the past, it represents a relatively

heavy dealer position and, were the period ahead replete with a normal calendar of new issue financing, it would be generally considered as a negative market factor.

However, under present circumstances, this heavy total merely represents a problem of salesmanship, rather than a serious market level problem. Usually the months of May and June are active with both institutional and individual investor demand. With the market lacking a heavy new issue volume, current inventories may easily be reduced at the present generous level of yields, provided the worthwhile effort is exerted.

Interest Rates Eased

Related evidence of the bond market's improved underlying condition began this week with a substantial reduction in the Treasury short-term borrowing costs. The yield on 90-day bills was reduced to 3.003% from last week's 3.317%. Although the general credit situation is still described as tight and likely to remain so for many months, it becomes more apparent that the bond market has less to fear from this now more flexible credit situation than had been anticipated earlier in the year.

Housing Bonds Attract Broad Investor Interest

The week's largest and most important new tax-exempt issue came to market on Wednesday. A total of \$129,605,000 out of \$133,410,000 New Housing Authority bonds (1961-2000) were awarded to the Bank-Dealer consolidated group. The bonds are offered from a 2.40% yield to a dollar price of 99 1/2 for 3 3/8's.

Investor interest in these Public Housing Authority issues is greater than it has ever been. When they first came to market years ago, investor interest was confined to relatively few institutions and investors. The market has broadened gradually and for this flotation interest of all types is reported.

The pre-sale book on the current financing was larger and more diversified than it has ever been. The high investment rating that these bonds bear, and the high yields which usually grace them, have progressively attracted a larger investment following.

Minnesotas Highly Regarded

On Tuesday \$48,420,000 State of Minnesota (1961-1979) certificates were bid for by two dealer groups in high competition. These State Building certificates, although valid and legally issued obligations of the state, are payable solely from state property taxes. They are legally construed to be special tax obligations and, as such, dealer banks refrained from bidding.

The winning group, headed by

Harriman Ripley & Company, Inc.—Blyth & Company, Inc.—Smith, Barney & Company—Kuhn, Loeb & Company and including many other dealers, bid for the bonds as 3 1/2's and priced them from a 2.50% yield in 1961 to 100 in 1978 and 1979. The second bid was syndicated by Halsey, Stuart & Company and Lehman Brothers.

Upon reoffering, the issue met with a strenuous investor reception and the managers reported less than one third the issue in account as we go to press. State of Minnesota bonds have always been popular with investors and, at the present level of the market, the avenues of ownership were greatly broadened.

Ditto for Cook Counties

The other important new issue underwritten on Tuesday was the \$9,500,000 Cook County, Ill. serial (1961-1980) loan. The winning account, headed by Harris Trust and Savings Bank—The Northern Trust Company—the Continental Illinois National Bank & Trust Company of Chicago—The First National Bank of Chicago—The First National City Bank of New York as joint managers, priced the bonds to yield from 2.65% to 3.75% with a 3 3/4% coupon named.

The issue was well spoken for and the group reports two-thirds of the bonds out of account. Competition in bidding for this issue was also keen, with the runners-up headed by Halsey, Stuart & Company—Lehman Brothers—Kidder, Peabody & Company, Inc., etc.

Reception Fair

Another important large issue sold during the past week (April 28) involved \$30,000,000 Sacramento Municipal Utility District, Calif. serial and term bonds (1966-1980, 1999). The serial part of this underwriting (\$12 million maturing 1966-1980) met with a fairly good reception, with about \$5 million now remaining in account. The term phase of the loan (\$18 million due 1999) was an immediate sell out. These latter bonds bore interest at 3.90% and were priced to yield 4%. These are currently selling at a premium.

The winning group was headed by Smith, Barney & Company, Halsey, Stuart & Company, Inc., Harriman, Ripley & Company, Inc., Lehman Brothers, Kuhn, Loeb & Company and included a large coast to coast group of underwriters.

Also on April 28, Harris County, Texas awarded \$7,000,000 unlimited tax serial (1961-1980) bonds to a group led by the Harris Trust & Savings Bank—The Chase Manhattan—C. J. Devine & Company—The Philadelphia National Bank and others. The various issues involved were scaled to yield from 2.50% to 3.70% and the balance in account is about \$5 million. Although relatively well priced, this issue has met with less immediate success than others sold during this period.

Dollar Bonds Steady

The dollar quoted toll road and other revenue bonds have experienced only minor fluctuations during the week past. The Smith, Barney & Company Turnpike Bond Index, on the last reporting date (May 5) stood at 3.97%, identical to the level for the previous week. Revenue reports that have thus far been received for the month of April show substantial gains over March and over April, 1959.

Not Much Doing in Week Ahead

The new issue calendar for the coming week includes only one sizable item; on May 10, the City of Jacksonville, Florida plans to award \$30,000,000 serial electric revenue bonds. Further indicating the calendar's brevity, the next largest issue up for sale (May 9) is \$4,850,000 Florida Development Commission bonds.

MARKET ON REPRESENTATIVE SERIAL ISSUES

	Rate	Maturity	Bid	Asked
California (State)-----	3 1/2 %	1978-1980	4.00 %	3.85 %
Connecticut (State)-----	3 3/4 %	1980-1982	3.50 %	3.35 %
New Jersey Highway Auth., Gtd.	3 %	1978-1980	3.45 %	3.35 %
New York (State)-----	3 %	1978-1979	3.35 %	3.20 %
Pennsylvania (State)-----	3 3/4 %	1974-1975	3.25 %	3.10 %
Vermont (State)-----	3 1/4 %	1978-1979	3.25 %	3.10 %
New Housing Auth. (N. Y., N. Y.)	3 1/2 %	1977-1980	3.55 %	3.40 %
Los Angeles, Calif.-----	3 3/4 %	1978-1980	3.90 %	3.75 %
Baltimore, Md.-----	3 1/4 %	1980	3.65 %	3.50 %
Cincinnati, Ohio-----	3 1/2 %	1980	3.40 %	3.25 %
New Orleans, La.-----	3 3/4 %	1979	3.80 %	3.70 %
Chicago, Ill.-----	3 1/4 %	1977	3.85 %	3.70 %
New York City, N. Y.-----	3 %	1980	3.95 %	3.85 %

May 4, 1960 Index=3.70%

Larger Issues Scheduled For Sale

In the following tabulations we list the bond issues of \$1,000,000 or more for which specific sale dates have been set.

Information, where available, includes name of borrower, amount of issue, maturity scale, and hour at which bids will be opened.

May 5 (Thursday)

Central Contra Costa San. District, California-----	2,900,000	1964-1995	11:00 a.m.
Dayton, Ohio-----	4,380,000	1961-1983	Noon
Montgomery, Crawford Central School District No. 1, New York-----	2,250,000	1961-1980	2:00 p.m.
Washington Toll Bridge Authority, Washington-----	3,500,000	2009	-----
Westwood, Massachusetts-----	1,000,000	1961-1980	11:00 a.m.

May 6 (Friday)

Arkansas State Teachers College, Arkansas-----	1,090,000	1961-2000	10:00 a.m.
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May 9 (Monday)

Florida Development Comm., Fla.-----	4,850,000	1962-1989	11:00 a.m.
South Euclid-Lynhurst City School District, Ohio-----	1,000,000	1961-1980	1:00 p.m.

May 10 (Tuesday)

Jacksonville, Fla.-----	30,000,000	1962-1980	Noon
Neenah, Wisconsin-----	1,070,000	1961-1980	2:30 p.m.
Newport News, Virginia-----	3,000,000	1961-1990	2:00 p.m.
Oneida County, New York-----	2,470,000	1960-1988	2:00 p.m.
Parma, Ohio-----	3,445,730	1961-1970	1:00 p.m.
Rock Island County, Illinois-----	1,120,000	1961-1978	Noon
State Teachers' Colleges, Board of Regents, Texas-----	1,401,000	1962-1999	10:00 a.m.
Suffolk Co. Water Authority, N. Y.-----	5,500,000	1961-1998	Noon
Wichita, Kansas-----	3,245,754	1961-1970	9:00 a.m.

May 11 (Wednesday)

Colorado Springs, Colorado-----	6,000,000	1961-1975	11:00 a.m.
Colorado State University, Colo.-----	2,000,000	1961-1998	2:00 p.m.
Hamilton County, Tennessee-----	3,500,000	1961-1984	11:00 a.m.
Indianapolis, Indiana-----	1,110,000	1962-1991	11:00 a.m.
Southeastern Oakland Co., Mich.-----	1,250,000	1961-1987	2:00 p.m.
West Virginia-----	2,000,000	1961-1985	1:00 p.m.

May 12 (Thursday)

Fairview City School Dist., Ohio-----	1,100,000	1961-1980	Noon
Groton, Connecticut-----	1,000,000	1961-1980	Noon
Utica, New York-----	1,093,632	1961-1975	Noon

May 16 (Monday)

Chillicothe School District, Ohio-----	1,000,000	1961-1980	Noon
Cullman, Alabama-----	1,250,000	1961-1990	2:00 p.m.

May 17 (Tuesday)

Bridgeport Comm. Sch. Dist., Mich.-----	2,200,000	1961-1989	8:00 p.m.
Cincinnati, Ohio-----	9,515,000	1961-1995	-----
Green Bay, Wisconsin-----	1,055,000	1961-1973	11:00 a.m.
Hot Springs, Arkansas-----	1,300,000	1963-1990	2:00 p.m.

Lawrence Township School Dist., New Jersey-----	1,188,000	1962-1981	2:00 p.m.
Phoenix, Arizona-----	9,000,000	1961-1988	10:00 a.m.
Pittsburgh, Pennsylvania-----	3,750,000	1962-1985	10:00 a.m.
Terrebonne Parish Con. Sch. Dist. No. 1, Louisiana-----	1,000,000	1962-1985	10:00 a.m.

May 18 (Wednesday)

Maine-----	7,250,000	-----	-----
Mississippi-----	5,000,000	1964-1994	10:00 a.m.
Princess Anne County, Virginia-----	2,500,000	1962-1985	Noon

May 19 (Thursday)

New Baltimore, Michigan-----	1,290,000	1962-1989	8:00 p.m.
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May 24 (Tuesday)

Detroit, Michigan-----	9,325,000	-----	-----
Detroit School District, Mich.-----	10,000,000	-----	-----
Lynchburg, Virginia-----	2,800,000	-----	-----
Portland, Oregon-----	2,000,000	1963-1982	11:00 a.m.

May 25 (Wednesday)

Bunkie, Louisiana-----	1,558,000	1962-1993	11:00 a.m.
Grants Municipal School District No. 3, New Mexico-----	1,000,000	1961-1970	Noon

May 31 (Tuesday)

West Baton Rouge Parish School District No. 3, Louisiana-----	2,000,000	1961-1980	3:30 p.m.
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June 1 (Wednesday)

Harlingen Consolidated Independent School District, Texas-----	2,285,000	-----	-----
King County, Washington-----	10,000,000	1962-1980	11:00 a.m.
Upper Arlington School Dist., Ohio-----	2,000,000	-----	Noon

June 7 (Tuesday)

Memphis, Tennessee-----	15,000,000	1961-1990	2:30 p.m.
Memphis Bd. of Education, Tenn.-----	2,700,000	-----	-----

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A Look at Hawaii's Economy

By Roger W. Babson

Publicist presents a thumb-nail economic area study of Hawaii and its investment opportunities. Some of the "blue chips" companies, the bidding up of real estate values, and possibility of indirect investments are taken up by Mr. Babson in that order.

After a long wait of about 60 years, the Hawaiian Islands finally won Statehood in 1959. I have had more than a passing interest in this event for several reasons. First, missionaries from New England and their descendants were leaders in the development of the islands. Second, my seafaring ancestors stopped at Hawaii on their trips to Asia. Finally on these trans-Pacific runs my great uncles gained an early insight into the enterprising characteristics of these Orientals and told me "bed-time" stories about them.

Lessons for Democracy

On my own visits to the Orient, I have stopped in Hawaii. One thing which impressed me was the peaceful integration of the many different races. Political leaders throughout the world would do well to study the orderly manner in which Hawaii has absorbed its varying racial groups without legislation or violence.

In view of the decline in American prestige throughout the world, it might be wise to study Hawaii's marvelous social, economic, and political progress. This demonstrates what can be accomplished under a democratic form of government, if patience is utilized.

The Hawaiian Economy

Hawaii has a per-capita income rate which is about equal to the U. S. average. However, since Hawaii imports a considerable proportion of its consumption requirements, an inflow of outside funds is vital to the survival and growth of its business. The primary sources of funds are federal government spending, exports of sugar and pineapple, and tourist trade. The mushrooming tourist business now directly accounts for \$100 million a year, and in addition attracts millions of dollars from mainland interests for hotels, apartments, and other developments.

Because of Hawaii's strategic military position, federal government payrolls contribute 27% to personal incomes. Employment in wholesale and retail lines adds another 11%. Incomes from rentals account for about 10% of total earnings. Manufacturing and state government payrolls each contribute 7%.

Hawaiian Investments

Investment opportunities are rather limited. However, the "Big Five" blue-chip companies—Alexander & Baldwin, American Factors, C. Brewer & Company, Castle & Cook, and Theo. H. Davies & Company—participate in virtually all phases of the Hawaiian economy.

Utility stocks, such as Hawaiian Electric, Hawaiian Telephone, and Honolulu Gas, have done well. The two leading banks—Bishop National and Bank of Hawaii—also have had substantial growth.

Hawaiian Real Estate

For many years the island of Oahu has been enjoying a building and real estate boom. Property values have been steadily bid up by the influx of population from the "outside" islands, by the increase in "mainland settlers," and even by some of the servicemen stationed in Hawaii. Superimposed upon this is the upsurge in tourist trade.

On the outside islands, where the population is sparse, there is plenty of land available. Hence, with Oahu allegedly becoming too commercialized, it may be that the maximum stimulus to realty val-

ues will accrue to the benefit of the islands of Hawaii, Maui, and Kauai. There the placid atmosphere and natural beauties remain virtually untouched, while parts of Honolulu are becoming a "Coney Island."

Other Participants in Hawaiian Growth

I am not now in favor of direct investments in our Fiftieth State, but the possibility of certain indirect investments might be considered. Airlines such as United, Pan American, and Northwest serve the islands. The Sheraton and Kaiser interests own hotels there, and Hilton may soon enter the race. Certain merchandising

companies, such as Sears Roebuck, maintain profitable outlets in Hawaii. Stocks of the sugar and pineapple companies which have large land holdings, particularly on Oahu, naturally have been receiving considerable investor speculative interest. But this may prove to be an unwise choice for investment at this time.

Exch. Firms Govs. To Meet in Atlanta

ATLANTA, Ga.—Some of the nation's top executives in the investment field—Governors of the Association of Stock Exchange Firms—will open a two-day meeting here Monday, May 9.

The Board of Governors consists of 35 members, most of whom are expected to attend the sessions according to McKee Nunnally, a partner in Courts & Company here and one of the Governors. The Association is made up of investment firms holding membership in the New York Stock Exchange. Half of the Governors

are from New York City and the rest from some 16 cities elsewhere in the nation. It will be the first time the group has met here since 1948.

A dinner Monday night at the Piedmont Driving Club will highlight the two-day gathering. Host will be the Southern Company and attending, in addition to the Governors, will be partners and representatives of the local securities firms and others from the Atlanta business and financial community. Harlee Branch, President of the Southern Company, will speak at the dinner. G. Keith Funston, President of the New York Stock Exchange, will be present.

The program on Monday also includes a luncheon to be tendered members of the Board by the Coca Cola Company and a reception at which the Governors and their wives will be guests of the local Association member firms.

Presiding over business sessions to be held at the Biltmore Hotel will be David Scott Foster, President of the Association. Discus-

sions will cover a wide range of subjects of local and national significance to the investment business. Representatives of member firms of the New York Stock Exchange in this area will participate in an open meeting to be held at the Fulton National Bank Building on Monday afternoon.

With Prescott Co.

(Special to THE FINANCIAL CHRONICLE)

CLEVELAND, Ohio — Julian H. Stevens is now associated with Prescott & Co., National City Bank Building, members of the New York and Midwest Stock Exchanges.

With Milwaukee Co.

(Special to THE FINANCIAL CHRONICLE)

MILWAUKEE, Wis. — Chandler Osborn has become associated with the Milwaukee Company, 207 East Michigan Street, members of the Midwest Stock Exchange. Mr. Osborn was formerly an officer of Northwestern Mutual Life Insurance Co.

1910 – 1960

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To our own loyal and devoted staff

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DEALER-BROKER INVESTMENT LITERATURE AND RECOMMENDATIONS

IT IS UNDERSTOOD THAT THE FIRMS MENTIONED WILL BE PLEASED
TO SEND INTERESTED PARTIES THE FOLLOWING LITERATURE:

Air Transportation Stocks—Data—Paine, Webber, Jackson & Curtis, 25 Broad St., New York 4, N. Y. Also in the same circular are data on Granite City Steel, Spiegel, American Photocopy Equipment Co., Indianapolis Power & Light and St. Lawrence Seaway.

Bank Stocks—Quarterly comparison of leading banks and trust companies of the United States—New York Hanseatic Corporation, 120 Broadway, New York 5, N. Y.

Burnham View—Monthly Investment Letter—Burnham and Company, 15 Broad Street, New York 5, N. Y. Also available in current Foreign Letter.

Chemical Industry—Review and outlook—Shearson, Hammill & Co., 14 Wall St., New York 5, N. Y. Also available is a bulletin on American Telephone & Telegraph, Budget Finance Plan, Chase Manhattan Bank and Walter E. Heller & Company.

Chemicals—Discussion with particular reference to American Cyanamid, Du Pont and Beckman Instruments—Goodbody & Co., 2 Broadway, New York 4, N. Y. Also available are data on Woolworth, Macy, and Stewart Warner, and an analysis of the Meat Packing Industry.

College Endowment Funds—Discussion in April 27 "Investor's Reader"—Merrill Lynch, Pierce, Fenner & Smith, Inc., 70 Pine St., New York 5, N. Y. In the same issue are data on Western Union, National Starch & Chemical Corp., Veeder Root Inc., Owens Illinois Glass, American Heritage, Grand Union, Warner Lambert, and Waste King. Also available are memoranda on Heyden Newport Chemical, Motorola, Nalco Chemical Co., National Cash Register and North American Car Corp.

Favorite Fifty—Selected list of securities—Van Alstyne, Noel & Co., 40 Wall St., New York 5, N. Y.

Financial Planning for the Business Executive—Bulletin—National Bank of Washington, Washington, D. C.

Fire Casualty Stock Companies—Comparative evaluation—E. F. Hutton & Co., 61 Broadway, New York 6, N. Y.

Japanese Imports—Review and outlook in April issue of "Investor's Digest"—Yamaichi Securities Co. of New York, Inc., 111 Broadway, New York 6, N. Y. In the same issue are analyses of the Heavy Duty Electric Equipment Industry and Automobile Sales. Also available are reports on Mitsubishi Shipbuilding and Engineering Co., Ltd., Sumitomo Chemical Industry Co., Kawasaki Steel Corp., and Tokyo Electric Power Co. Ltd.

New York City Banks—Bulletin comparing earnings for the first quarter of 1960—Laird, Bissell & Meeds, 120 Broadway, New York 5, N. Y.

New York Stock Exchange Fact Book, 1960—Fifth annual booklet of facts and figures on the Exchange community—New York Stock Exchange, 11 Wall St., New York 5, N. Y.

Over-the-Counter Index—Folder showing an up-to-date comparison between the listed industrial stocks used in the Dow-Jones Averages and the 35 over-the-counter industrial stocks used in the National Quotation Bureau Averages, both as to yield and market performance over a 20-year period—National Quotation Bureau, Inc., 46 Front Street, New York 4, N. Y.

Sensational Sixties—Dead So Soon?—Review—Distributors Group, Incorporated, 63 Wall St., New York 5, N. Y.

Tax Exempt Market—Review—Park, Ryan, Inc., 70 Pine St., New York 5, N. Y.

Treasury Refunding—Discussion—New York Hanseatic Corp., 120 Broadway, New York 5, N. Y.

U. S.-Latin American Relations—Review—In current issue of "Latin-American Business Highlights"—The Chase Manhattan Bank, 18 Pine St., New York 15, N. Y. Also in the same issue is a discussion of Electrical Power in Latin America and an article on Canadian ties with Latin America.

Understanding Put & Call Options—Herbert Filer—Crown Publishers, Dept. A-7, 419 Park Avenue, South, New York 16, N. Y.—\$3.00 (ten day free examination).

World Time Chart—Showing time differences in over 100 countries as compared with New York Daylight Saving Time, and including a map of time zones in the United States, and listing States and communities observing Daylight Saving Time—International Banking

Department, Manufacturers Trust Co., 55 Broad St., New York 15, N. Y.

All States Freight, Incorporated—Circular—Fulton, Reid & Co., Inc., Union Commerce Building, Cleveland 14, Ohio.

Allis Chalmers—Discussion—Winslow, Cohu & Stetson, Inc., 26 Broadway, New York 5, N. Y.

American Broadcasting Paramount Theatres, Inc.—Analysis—Schweickart & Co., 29 Broadway, New York 6, N. Y.

American Cyanamid Company—Analysis—Eastman Dillon, Union Securities & Co., 15 Broad St., New York 5, N. Y.

American Cyanamid—Survey—Abraham & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are surveys of Martin Co. and Spiegel Inc.

American Tobacco Company—Analysis—Hornblower & Weeks, 40 Wall St., New York 5, N. Y.

American Zinc, Lead and Smelting Company—Analysis—Hayden, Stone & Co., 25 Broad St., New York 4, N. Y. Also in the current issue of the "Monthly Investment Letter" are data on Minnesota Mining and Crowell Collier.

Bowater Paper Corp.—Memorandum—Model, Roland & Stone, 120 Broadway, New York 5, N. Y.

Charles Bruning Company, Inc.—Analysis—William Blair & Co., 135 South La Salle St., Chicago 3, Ill.

C. I. T. Financial Corporation—Data—Oppenheimer, Neu & Co., 120 Broadway, New York 5, N. Y. Also in the same circular are data on Duquesne Light Company.

Cessna Aircraft Company—Analysis—Cruttenden, Podesta & Co., 209 South La Salle St., Chicago 4, Ill. Also available are analyses of Helene Curtis Industries, Inc., Dictaphone Corp., and the Hoover Co., and a memorandum on Mountain Fuel Supply Co.

Colgate Palmolive Co.—Report—Harris, Upham & Co., 120 Broadway, New York 5, N. Y. Also available are reports on Diamond Alkali Co., W. T. Grant Co. and a bulletin on 24 Utility Stocks.

Coraloc Industries—Memorandum—Edward Lewis Co., Inc., 82 Beaver St., New York 5, N. Y.

Crompton & Knowles—Report—Simmons, Rubin & Co., Inc., 56 Beaver St., New York 4, N. Y. Also available is a report on Big Apple Supermarkets.

Diveco Wayne—Memorandum—Gruntal & Co., 50 Broadway, New York 4, N. Y.

Dixilyn Drilling Corporation—Report—Hemphill, Noyes & Co., 15 Broad St., New York 5, N. Y. Also available is a bulletin on Growth Stocks.

Eitel McCullough, Inc.—Report—A. M. Kidder & Co., Inc., 1 Wall St., New York 5, N. Y. Also available is a bulletin on Common stock Portfolios and a discussion of the "Marketing Titans." Electronics Capital Corporation—

Analysis—D. H. Blair & Co., 42 Broadway, New York 4, N. Y.

El Paso Natural Gas—Review—Robert W. Baird & Co., 110 East Wisconsin Ave., Milwaukee 1, Wis. Also in the same circular are reviews of Winn Dixie Stores, American Electric Power, Fireman's Fund Insurance, and American Broadcasting Paramount Theatres.

FXR, Inc.—Review—Cooley & Co., 100 Pearl St., Hartford 4, Conn.

Freeport Sulphur—Memorandum—G. H. Walker & Co., 45 Wall St., New York 5, N. Y.

General American Transportation—Bulletin—Hill Darlington & Co., 40 Wall St., New York 4, N. Y. Also available is a memorandum on Puget Park Corp.

General Devices, Inc.—Analysis—Woodcock, Moyer, Fricke & French, Inc., 123 South Broad St., Philadelphia 9, Pa. Also available is a report on Smith, Kline & French Laboratories.

General Precision Equipment Corp.—Analysis—H. Hentz & Co., 72 Wall St., New York 5, N. Y.

Giant Portland Cement Co.—Memorandum—Evans, MacCormack & Co., 453 South Spring St., Los Angeles 14, Calif.

Grumman Aircraft Engineering Corp.—Report—Thomson & McKinnon, 2 Broadway, New York 4, N. Y.

International Telephone—Review—Hirsch & Co., 25 Broad St., New York 4, N. Y. Also available is a review of G. D. Searle and memoranda on National Bellas Hess and Jaguar Cars Ltd.

Interprovincial Steel & Pipe—Memorandum—Jackson, McFadyen Securities Limited, 455 Craig St., West, Montreal, Que., Canada.

Interstate Hosts—Analysis—Hill Richards & Co., 621 South Spring St., Los Angeles 14, Calif.

ITEK—Memorandum—J. J. B. Hilliard & Son, 419 West Jefferson St., Louisville 2, Ky.

Joy Manufacturing Company—Bulletin—Georgeson & Co., 52 Wall St., New York 5, N. Y.

Ludlow Corp.—Memorandum—H. A. Riecke & Co., 1433 Walnut St., Philadelphia 2, Pa.

Lytton Financial Corp.—Report—William R. Staats & Co., 640 South Spring St., Los Angeles 14, Calif.

Magnavox—Memorandum—Hardy & Co., 30 Broad St., New York 4, N. Y.

McDonnell Aircraft—Memorandum—Francis I. du Pont & Co., 1 Wall St., New York 5, N. Y. Also available are memoranda on Standard Brands and Minnesota & Ontario Paper.

Microwave Associates—Data—Shields & Co., 44 Wall St., New York 5, N. Y. Also in the same circular are data on American Research & Development and Magma Copper.

Moore Corp., Ltd.—Analysis—McLoed, Young, Weir & Co., Ltd., 50 King St., West, Toronto, Ont., Canada.

National Biscuit Co.—Analysis—Blair & Co., Inc., 20 Broad St., New York 5, N. Y.

Northrop—Memorandum—Joseph Walker & Sons, 30 Broad St., New York 4, N. Y.

Ohio Edison Co.—Annual report—Ohio Edison Co., L. I. Wells, Secretary, Akron 8, Ohio.

Philadelphia Electric—Data—Boenning & Co., 1529 Walnut St., Philadelphia 2, Pa. Also available in the same circular are data on Hamilton Paper.

Pontchartrain Levee District Bonds—Circular—Scharff & Jones, Inc., 140 Carondelet St., New Orleans 12, La.

Potomac Electric Power—Bulletin—Reynolds & Co., 120 Broadway, New York 5, N. Y. Also available are bulletins on Foremost Dairies, Inc., Ferro Corp., Travelers Insurance, and Socony Mobil.

O. M. Scott & Sons Co.—Memorandum—First Columbus Corp., 42 East Gat St., Columbus 14, Ohio.

Span America Boat Co.—Memorandum—Nassau Securities Service, 4 Hanover Square, New York 5, N. Y.

Struthers Wells—Memorandum—Lee Higginson Corp., 20 Broad St., New York 5, N. Y.

Tractor Supply—Memorandum—Dempsey-Tegeler & Co., 209 South La Salle St., Chicago 4, Ill.

United Biscuit Co. of America—Review—Fahnestock & Co., 65 Broadway, New York 6, N. Y. Also available is a review of Worthington Corp.

Vanity Fair Mills—Memorandum—Draper, Sears & Co., 50 Congress St., Boston 2, Mass.

Vendo Co.—Memorandum—Steiner, Rouse & Co., 19 Rector St., New York 6, N. Y.

Western Auto Supply Company—Analysis—Carl M. Loeb, Rhoades & Co., 42 Wall St., New York 5, N. Y. Also available is a review of American Viscose and Gillette.

Western Union—Review—Ira Haupt & Co., 111 Broadway, New York 6, N. Y.

Whitin Machine Works—Analysis—Coburn & Middlebrook, Inc., 100 Trumbull St., Hartford 1, Conn.

John Wiley With A. E. Ames Co.

A. E. Ames & Co. Incorporated, 2 Wall Street, New York City, have announced the association with them of John E. Wiley. Mr. Wiley was formerly an officer of Gairdner & Company Inc.

With Williston & Beane

(Special to THE FINANCIAL CHRONICLE)
CHICAGO, Ill. — Bernard I. Miller has become connected with J. R. Williston & Beane, 208 South La Salle Street. He was formerly with Westheimer and Company.

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RALEIGH, N. C. — William F. Bailey has been added to the staff of McCarley & Company, Inc., Bryan Building.

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Business and Interest Rate Trends This Year and Next

By William F. Butler,* Vice-President and Economist, The Chase Manhattan Bank, New York City

Forecast of good business for this year depicts average GNP of \$515 billion, reflecting an upward trend ranging from \$500 billion in first quarter to \$520-\$525 billion in fourth quarter, with output 4-5% short of our potential. Looking further ahead, the bank economist speculates on the possibility of a recession starting sometime in 1961. Dr. Butler opines "we need an increase in the money supply to support good business this year and next," expects the Fed to increase credit moderately while keeping a tight rein on the situation, and cautions we cannot have good business without pressure on interest rates.

Recent cross-currents in the business situation provide a perfect example of the reasons why those engaged in what I like to term the perilous practice of business forecasting become gray at an early age. In January, when the unpleasantness in steel was at long last resolved, there were widespread expectations that we were in for a boom. People looked for a period of hectic business, with shortages of steel and other products, heavy demands for credit, and another inflationary outburst.



William F. Butler

At the time of the steel settlement, a boom in 1960 was a plausible possibility. Inventories were on the low side. Business plant and equipment expenditures were also relatively low. And consumers were in a position to engage in a considerable buying spree.

However, no boom developed. Production did rise rapidly—our economy passed the \$500 billion milestone in the first quarter, and industrial production reached a new high. But there has been no pressure on prices—in fact, price averages have exhibited great stability for two years. There has been no rush on the part of business to build inventories or to launch huge new expansion programs. Retail sales have shown little exuberance. And there has been a sharp turn-about in the stock and money markets.

We have had, as a result, a massive shift in sentiment. When expectations of a boom did not materialize, there was a shift in psychology in the opposite direction. The impact on the stock market and on money markets was compounded by a sudden realization on the part of many investors that inflation was not as clear and present a danger as they had thought.

What has happened reminds me of the statement made by the President of the Los Angeles Chamber of Commerce when he was asked in 1958 how the recession had hit that city. "Recession?" he replied "We have no recession in Los Angeles. But I must admit that we're having the worst boom in twenty years."

Sees Record Year for 1960

The shift in sentiment was not matched by a comparable change in the basic economic factors underlying the business outlook. In the first place, expectations of a boom in 1960 were not soundly based on facts—the outlook as of January first was for a prosperous year with stable prices, but not for a boom in the 1955-57 sense. The change in psychology has undoubtedly had some effect on the course of business during the year. Nevertheless, 1960 still promises to be a record year—with an advance of 6% or so in the over-all economy. That's really not much

of a change from what appeared to be a reasonable forecast as of the first of the year, though the atmosphere has definitely changed.

Secondly, it seems to me that the underlying economic situation is decidedly stronger than a reading of the current business news would indicate. I'm sure it's not news that the nation has had an extended spell of unusually bad weather. Snow and ice, and a late Easter, have made the retail picture appear less promising than it really is. Thus, we could see a good pick-up in retail sales this month and next. Such a development would have most beneficial effects on business sentiment.

Moreover, the basic situation favors a sustained rise in business investment in new plant and equipment which could last well into 1961. Much of the excess capacity created in 1956 and 1957 has been worked off. Business is in fine shape to finance an increase in capital investment.

With basis strength in markets for both consumer and capital goods, the groundwork exists for a period of solid prosperity. The fact that a boom has not developed represents important news. We may well have achieved one of our major national objectives—profitable prosperity without price inflation. And this may also mean that we can look forward to a more extended period of good business than has prevailed in earlier postwar periods of expansion. To my mind, that's the best of all possible worlds. It's like getting rich and going to heaven, too—a pretty attractive combination.

I've dwelled at some length on my over-all interpretation of the business picture since it's more difficult than usual to place specific developments in proper perspective. At this point, however, it may be useful to turn to trends in major areas of our economy.

Our gross national product is made up of expenditures for inventories, business plant and equipment, housing, consumer goods and service, government goods and services and net exports.

Inventories

Business drew down inventories in 1958, added to them at a rapid pace in the first half of 1959 in anticipation of the steel strike, and then used up stocks during the strike. The rebound in inventories since the strike has exceeded anticipations. Business added to over-all inventories at a \$3 billion annual rate in the fourth quarter of last year. The rate of inventory building reached \$12 billion in December and January as steel and auto stocks were rising rapidly. This explains the sharp rise in production we experienced immediately following the resumption of steel operations.

While inventories are still relatively low in relation to sales, it is clear that a \$12 billion rate of accumulation cannot be long sustained. While we do not have up-to-date statistics (and this is another reason why forecasters age rapidly) it is possible that the rate of inventory building has already declined to \$6 billion a year. This shift to a lower rate of inventory

accumulation explains the moderate declines in industrial production in February, and presumably in March.

Business will probably continue to add to inventories. But the rate of such buying may decline—there is a widespread feeling that, with ample capacity on the part of suppliers and with prices stable, it will be possible to get along with inventory-sales ratios that are below the postwar average. If so, the impetus to general business activity from the inventory side will wane, and some other force must be found to carry prosperity along.

Plant and Equipment

One such force is business investment in new plant and equipment. Because of the existence of excess capacity, business fixed investment has recovered more slowly than it did in 1955 and 1956. And the stability of the new orders curve does not point to any immediate upsurge.

However, basic conditions favor increased investment. Corporate cash flow from retained earnings and depreciation is at a record level—as much as \$5 billion a year above the 1957 total. Moreover, business as a whole added only about 2½% per year to its productive capacity in 1958 and 1959 and will, under present plans, add little more this year. This compares with a long-run growth potential of the economy which approaches 4% per year. Thus, excess capacity is being worked off, and many businesses may find that they will need, and can afford, new expansion programs.

No boom in business investment on the 1955-57 pattern seems in the cards. The recent SEC-Com-

merce survey of business plans would point to an annual investment rate of no more than \$40 billion by the fourth quarter of the year. This would offset much of the decline in inventory buying. But it would not suffice to create a boom. And that may be a very good thing—restraint in business investment this year could make for expanding investment in 1961.

Housing

Housing starts dropped by more than one-fourth in the 1955-57 period of increasing stringency in credit markets. The shift to ease in money markets in 1958 led to a dramatic rise in housing, followed by a downtrend in 1959 and so far in 1960.

Incidentally, the slowdown in housing may prove to be a blessing in disguise. While the underlying demand for better housing is one of the significant features of the current American economic scene, the housing industry must still be concerned about costs and about adapting its product to the market. Periods of tight money may serve a useful purpose in forcing the industry to tailor its product to the market, and hence in avoiding the problem of general over-building. With so much of our invested capital tied up in home mortgages, we must be concerned about the fundamental health of the housing market.

The Consumer

This brings us to the biggest, and in many ways the most important area of the economy—consumer expenditures. The two basic factors influencing the level of consumer spending are income

after taxes and the net increase in consumer credit. Last year saw a relatively rapid rise in installment credit extensions and the net increase reached 2% of consumer expenditures in the third quarter. Experience shows that the rise in consumer credit tapers off after that point is reached. Thus, I would expect a smaller increase in installment credit than last year's \$5.3 billion.

However, consumer income will be higher this year—by 5-6%—and this should support a good increase in retail sales and expenditures on services. Expenditures for food, services and other nondurables move steadily upwards in line with the growth in population and living standards. These items account for more than 85% of consumer spending. The main area where spending varies widely is in durable goods, and most specifically, automobiles.

Well, what about the auto outlook? At the level of income in prospect for this year, sales could well reach 7 million units (including about 500,000 imports). The record of sales so far doesn't seem to be up to that pace—but bad weather may explain all, or most, of the lag. However, the auto market is in the midst of a major transition in the form of the shift to more compact cars. It may be that this will hold down 1960 sales as people wait for smaller Buicks, Cadillacs, Lincolns and the like. If I had to pick a number at the moment, I'd say that sales will reach 6½ to 6¾ million including imports. That's below the potential, but still a very good year. And the absence

Continued on page 20

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Significance of Gold Moves To Domestic Banking

By John Exter,* Vice-President, The First National City Bank of New York, New York City

Banker proposes measures which may cause a slower deposit growth rate than in the past but which may not, however, reduce earnings if, as a result, the economy's dynamic pace continues and, thus, permits assets to earn more money. In a review of international economic changes, Mr. Exter explains why our economy responds more slowly to international equilibrium forces than do other countries and, in listing the corrective factors at work, stresses the need to accept the discipline of sound money and fiscal policies. The author disagrees with those who advocate money supply expansion at the same rate as GNP; finds Prof. Triffin's proposal for international liquidity unnecessary; and recommends dropping the gold reserve ratio requirement altogether when a propitious opportunity to do so presents itself.

A few years ago no one would have thought that gold movements were important enough to domestic banking to be worth talking about. But all that is changed. We are in an awakening and emerging world and are now realizing that what is happening in it is bound to affect all of us as bankers more and more intimately in the years ahead.



John Exter

The term, balance of payments — which is the relation of the number of dollars we pay out to foreigners to the number of dollars we receive from them—did not have much significance for us for the first dozen years or so after the war. Other countries had balance of payments problems, but we did not. Although we were supplying the world with dollars at the rate of a billion or more a year, the dollars seemed like homing pigeons: no matter how many we sent out, they seemed to come back to us, if not to purchase our goods and services, then to be held as balances and short-term investments in our market. As our short-term liabilities to foreigners rose—and they did rise in a steady trend from about \$5 billion at the end of 1947 to more than \$16 billion today—for a long time we did not seem to lose gold. Foreigners liked dollars even better than gold.

It rocked us back on our heels, then, when our balance of payments deficit suddenly rose to \$3.4 billion in 1958 and \$2.3 billion of

gold flowed out; and then when we had a still larger payments deficit of \$3.7 billion in 1959 and lost more than another billion dollars of gold. People began to ask questions. Will the balance of payments deficit correct itself? Are we pricing ourselves out of world markets? Can we maintain the gold value of the dollar? These questions are in the minds of many bankers, businessmen, and economists today.

Changes in Past 15 Years

The world monetary situation only 15 years ago when World War II ended was in sharp contrast to that today. The productive capacity of Western Europe and Japan had to be reconstructed; their currency reserves were either greatly reduced or dissipated entirely. Their exchange rates had to be bolstered by a variety of restrictions on trade and international payments. Our productive capacity on the other hand had actually increased as a result of the war so that North America was looked upon as a great reservoir of capital equipment and raw materials that could be drawn upon if only the necessary dollars could be found to tap it. This was the great problem of the dollar shortage.

The very best financial minds in Europe and the United States did not at first take its proper measure. For example, our loan of \$3½ billion to Britain at the end of 1945 was supposed to enable the British to re-establish the convertibility of the pound, but it proved hopelessly inadequate. When the convertibility attempt was made in the summer of 1947, it failed and the failure chilled and sobered those who thought they could quickly build the brave new world they had in mind. At the same time the rest of the

world went on a buying spree, so that by the end of 1947 its gold and dollar holdings were several billion dollars smaller than they had been at the end of the war, and gold was flowing into the United States.

Then came the Marshall Plan, which was spectacularly successful in rebuilding Western Europe and in enabling the countries there to reconstitute their gold and dollar reserves. The flow of gold into the United States was checked and we began a series of deficits in our balance of payments that by the mid 1950s had slowly but surely eliminated the dollar shortage and gone a long way toward solving what the experts call the problem of international liquidity. The principal central banks of the Western World began to feel their gold and dollar reserves were adequate. The most serious concern about a shortage of international liquidity died out when the quotas of the members of the International Monetary Fund were increased by 50% last year.

A number of important consequences have flowed from this ending of the dollar shortage.

Perhaps most important was the restoration of the convertibility of the principal Western European currencies. Convertibility had proved elusive when the British tried it in 1947 but it was a striking success at the end of 1958. With but little more than a year of convertibility, there have already been far-reaching results. Funds have flowed more freely from one money center to another and trade and international investment have been stimulated. Incidentally, I should not be surprised if Japan took the convertibility step very soon.

Secondly, in a convertible world, trade discrimination against the dollar became an anachronism. There was no longer any reason why governments should prevent their citizens from buying in the cheapest market.

Thirdly, convertibility made it possible for Western Europe to carry out the first steps toward trade integration. The Common Market, called "the Inner Six", followed by the European Free Trade Area, called "the Outer Seven," could not have been launched on a sound basis without comfortable reserve positions and the convertibility of currencies.

Finally, the widespread improvement in the developed countries of the Western World has made possible cooperation in economic aid to the underdeveloped countries. Thus the countries we helped in the years

after the war are now becoming increasingly important partners with us in foreign aid.

Lists Stabilization Success

The most significant and encouraging aspect of these developments is that these countries have greatly increased the effectiveness of our aid by adopting orthodox economic policies, policies in the old liberal tradition that have enabled them to help themselves. Put more simply, they have seen the importance of exercising restraint in the creation of money, the necessity of avoiding inflation, and the advantages of competitive markets and freer trade. The miracle of postwar recovery in Germany was accomplished with orthodox monetary and fiscal policies. The German miracle is best known, but there have also been the Italian, Austrian, and Japanese miracles, and many other countries in the Western World have made consistent economic progress without quite achieving the miracle reputation. For a long time there were two notable laggards in Europe—the United Kingdom and France. For years sterling limped from crisis to crisis and even astute observers began ruefully to conclude that perhaps the British economy had taken on burdens too great for it to bear. Then in September 1957 Chancellor Thorneycroft and the Bank of England grasped the nettle, froze the levels of both Government investment and bank advances, stopped the creation of money inside the United Kingdom, raised the Bank rate to 7%, and put sterling once again back on its feet. The French franc seemed even more hopeless. Inflation was never quite runaway in France, but it was steady, and the French franc seemed doomed to proceed from one devaluation to another. But the resolution and authority of de Gaulle, plus the external compulsion and discipline provided by the beginning of the Common Market, enabled the French to stabilize their economy at the end of 1958. The results exceeded expectations, and France gained reserves at the rate of \$100 million a month through much of 1959.

These impressive results of sound monetary and fiscal policies in Western Europe and Japan have been a convincing demonstration to underdeveloped countries as well, so that a wave of economic stabilization programs, many of them blueprinted by the International Monetary Fund, has recently spread from one underdeveloped country to another around the world. Best publicized perhaps are those of Argentina and Spain, but even a partial list of the rest is impressively long and includes Chile, Peru, Colombia, Finland, Turkey, Pakistan, Laos, Burma, Korea, and most recently, Iceland. In fact, the list of countries with chronic instability has been getting smaller and smaller. Indonesia suffers serious internal inflation and external balance of payments pressures. Castro's Cuba has used up its cushion of external reserves and Brazil's inflation is still chronic. None of the underdeveloped countries that have stabilized their economies, after the example of the industrial West, has yet produced a miracle, but we can hope. The most impressive performance, perhaps, is that of tiny Hong Kong.

Impact Upon Our Reserves

These stabilization programs have been very heartening because, after all, this is the kind of liberal economic world, one of freer multilateral trade and payments, that we have been trying to build through our postwar trade and aid programs.

These stabilization programs also have a significance for our balance of payments that has sometimes been overlooked. The United States is such an important

factor in world payments that the balances of payments of important areas of the world tend to be the reciprocal of our balance of payments. In other words, when other countries behave badly and pursue expansionary policies that deplete their international reserves, U. S. reserves benefit; but when the rest of the world behaves well, as it has been doing increasingly of late, the rest of the world tends to accumulate reserves, principally at our expense.

And this leads to the heart of what I have to say: that in this balance of payments business the corrective forces of international equilibrium are constantly at work. Any school child knows that if he has connecting reservoirs and pours water into one the water will tend to flow into the others until a new equilibrium level is reached. So in the field of foreign exchange. If one country pursues expansionary policies that enlarge its money supply while money supplies elsewhere are held constant, money will flow out of that country into others in a great variety of ways through foreign exchange and trade channels.

Let me illustrate by taking the Dutch economy. In the Netherlands the equilibrating forces work swiftly and relatively easily. The Dutch economy is almost perfectly geared into world markets. Imports, for example, are equal to about one-half the national income. Foreign trade is so important to the Dutch that they must keep their economy in international equilibrium and their prices and costs in line with world prices and costs. By the same token, it is relatively simple for them to correct balance of payments surpluses and deficits by orthodox monetary and fiscal measures. If a balance of payments deficit arises, it is an indication to the Dutch that their economy has expanded too fast, and they correct the deficit by taking measures to tighten credit, raise interest rates, and make certain that the banking system creates no new credit in either the government or private sectors. Significantly, the balance of payments deficit itself helps to restore equilibrium by reducing the Dutch money supply as Dutch guilders are extinguished in the purchase of foreign exchange from the Dutch Central Bank.

The response may be slower with economies not so closely geared to international markets, or where special factors are at work. In Germany, for instance, the balance of payments surplus has for a number of reasons been more stubborn and difficult to correct. Among these is the fact that Germany has each year had a substantial addition to its labor supply both from the steady flow of refugees from East Germany, which is well known, and from the even larger flow of workers from German agriculture into industry, which is not so well known. Now that the flow of new workers has receded, German wages are rising more rapidly. Over time this should help correct the balance of payments surplus and produce a healthier adjustment to the outside world.

Slower U. S. Response

The American balance of payments is subject to equilibrium forces, too, but for several reasons is unique, and may be slower to respond to corrective measures than that of any other country.

First of all, we have become the world's banker. Since the dollar is a reserve currency, foreigners have a choice, in addition to spending dollars on our exports, of increasing their holdings of dollars, or of converting them into gold. But only if they convert into gold is the money supply reduced. So if we have a deficit and foreigners put all of the dollars they earn into short-term

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holdings with us, the money supply is not reduced and the deficit does not contribute to the international adjustment of our economy. The effects of the deficit are nullified by the flow of short-term capital to the United States. This can make monetary policy for a reserve currency country deceptive. The effects of an excessively expansionary policy can be hidden for a number of years and then suddenly revealed by a flight of foreign-held dollars into gold. We must therefore exercise extraordinary care in the creation of money. The stakes are great, for if we create too much we threaten not only the international financial solvency of the United States, but this whole stable world of convertible currencies and freer trade and payments that we have helped to produce.

Secondly, by contrast with the Netherlands, although we are the world's largest importer, our imports, at \$15 billion, are less than 4% of our national income, and even our balance of payments deficit of \$3¼ billion in 1959 was only about 1% of our national income and considerably less than 1% of our Gross National Product. The leverage effect of such a deficit on economic activity in the United States might be significant if foreigners turned all of their newly-earned dollars into gold, but they did not. Only the \$1 billion so used had the effect of reducing the money supply.

Thirdly, from the international trade point of view, we lived in a special kind of world in the first decade or so after the war. Our exports did not have to compete because the goods were simply unavailable elsewhere. The competitive potential of Europe and Japan was hidden a year or two longer than it might otherwise have been by the Suez crisis and the closing of the Canal. By the end of 1957, however, the channels of trade had returned to normal, and then the competition hit us all at once. In 1958 goods became available, and not only competed with our exports in world markets, but came into this country in increasing volume. For the first time in a recession, our imports maintained themselves and, perhaps what is more significant, their composition changed toward greater emphasis on manufactured goods that were competitive with American manufacturers and less emphasis on noncompetitive raw materials. It is only recently, then, that American business became aware of a major competitive problem and the need to adjust. By contrast, Dutch businessmen have through the years been adjusting to foreign competition day by day. Now American business is beginning to adjust, witness the compact car.

Fourthly, a large part of our payments to foreigners in recent years has been in the form of military expenditures and foreign aid. Many of these dollars have flowed abroad, not because foreign industry earned them through superior competitiveness, but for humanitarian, political or military reasons. Yet to earn them back, our exports must be fully competitive.

You may well ask: in the face of these difficulties, how can we be confident that the forces of equilibrium will work in the case of the United States? May I suggest some of the corrective factors at work?

Notes Corrective Factors at Work

It is especially significant that the principal industrial countries have, by and large, had their desire for international liquidity satisfied. In fact, there are abundant signs in Western Europe that several countries are actually embarrassed by the size of their reserves and would gladly see them fall. These satisfied countries will now feel freer to be somewhat more expansionary in their policies and will certainly not

want to do more than maintain the level of their reserves. Will the underdeveloped countries want to build up their reserves? To some extent, yes. And this will happen as a result of the stabilization programs that I have already mentioned. But these underdeveloped countries are more interested in speeding the pace of their development than in acquiring reserves. Once they solve their basic inflationary problems, they will not want to accumulate reserves on a significant scale. In general, then, we may now expect that with foreign countries accumulating fewer reserves, they may well take more of our exports.

Another corrective factor is that, although the United States is a net debtor on short term, to the extent of over \$14 billion, it is a larger net creditor on long-term, to the extent of perhaps \$40 billion, and there is a growing inflow of interest and dividends from the loans and investments that both the Government and private business have been making abroad in recent years. It is significant that income on our private investments abroad in 1959 exceeded private capital outflow by about \$900 million. As a corollary, remember that the rate we earn on our long-term investments is considerably higher than the rate we pay on our short-term debt.

Finally, let us not underestimate the tremendous potential demand for our exports. We still produce a greater variety of specialized products than any other country, and have a productive capacity that far exceeds that of our competitors. In fact, it is our export capacity that is the basis for much of the foreign confidence in us. Also, our exports are such a small percentage of our gross national product that we can achieve substantial increases without straining our economy. In particular, we already have on hand stocks of farm surpluses and strategic materials that could alone be worth as much as \$15 billion or more, if they were to be marketed.

We, Too, Must Discipline Ourselves

The corrective factors will not work, however, unless we at the same time follow sound domestic monetary and fiscal policies. Basically, this means that, now that we have been made aware of the dangers to our economy from balance of payments deficits, we must exercise greater caution in pursuing expansionary monetary policies. As other countries subject themselves to the discipline of their balances of payments, it becomes all the more important that we subject ourselves to the discipline of ours.

Let me illustrate from the 1958 recession. With the benefit of hindsight, I suggest that we were too expansionary. We had a gold outflow in that year of about \$2¼ billion which reduced bank reserves by that amount and, under our fractional reserve system, would, in the absence of offsetting actions, have decreased our money supply by an even larger amount. The Reserve Banks, however, increased their holdings of United States Government securities by about \$2 billion, thus creating by open market operations almost as much in reserves as was extinguished by the outflow of gold. In addition, the Federal Reserve Board made \$1½ billion of reserves available through three reductions in reserve requirements. Finally, of course, we had a budget deficit that continued long into recovery. In the light of these policies, it is perhaps no wonder that we had a large balance of payments deficit and further gold losses in 1959. We can take satisfaction and comfort, however, from the fact that the Federal Reserve System permitted scarcely any increase at all in the money

supply during 1959 and that in recent months the money supply has actually been falling. Also, the current budget is in surplus. Monetary and fiscal policies such as these should do more than anything else to correct our balance of payments deficit.

As I have indicated, the process of achieving equilibrium may take time. In terms of my previous simile, the American economy is such a large reservoir and the channels through which the water must flow to the tinier reservoirs around the world, are relatively so small that it takes time for the water to find its level. In economic terms, it is somewhat more complicated: our economy is so big relative to our foreign trade that we cannot very well adjust our costs and prices to those elsewhere. For us the adjustment must largely be the other way around. We must hold the line within the United States while foreign costs and prices adjust to ours. It is a hopeful sign that the steel industry tried to hold the line while seeking a non-inflationary settlement in the recent labor negotiations. On the other hand, there are signs that foreign costs and prices are rising, in some cases, faster than ours.

Our monetary and fiscal policies since the war have been dictated almost entirely by the needs of the domestic economy, and in many minds a kind of rule of thumb has developed that the money supply should expand at about the same rate as our gross national product. In fact, a group of Democratic Senators recently asked that the Federal Reserve recognize this as a fixed guide to policy. To my mind, there could be no more certain course to ultimate devaluation of the dollar, for such a guide neglects the international consequences of monetary policy. Other major countries have long since learned the lesson that the expansion of the money supply is limited ultimately by the state of the balance of payments. The very fact of a balance of payments problem in this country is evidence enough that we have allowed our money supply to grow too fast and that we

must now exercise greater caution.

Denies Harmfulness Results

Some may be silently objecting that the sort of policy I am suggesting is deflationary, that it would force us into disagreeable and unacceptable alternatives, particularly a level of unemployment that the public would not tolerate.

The experience of other countries refutes this objection. The same argument was made about the British economy for years before the Thorneycroft measures of September, 1957, but since then the costs and prices in the United Kingdom have been much more stable and the economy has gone from strength to strength, and without creating an unemployment problem. The German economy had its most rapid growth during the period when monetary and fiscal policies were most deflationary. People do not like inflation, and experience has shown that they will accommodate themselves to firm policies if need be.

Moreover, we do not need actual deflation, simply absence of inflation; thus the margin between success and failure in this business is very, very small. The \$3 billion or so deficit in our balance of payments is hardly more than one-half of one percent of our gross national product. Who will argue that we cannot accept the measure of discipline needed to close a margin of that size?

Finally, we sometimes forget that the dynamic forces of technological change and the constant increase of productivity that they bring are always on our side. If our policies are directed toward stimulating those forces of change rather than retarding them, the benefits they will bring in lower costs will make slightly greater monetary restraint more palatable.

I have not yet mentioned such balance of payments correctives as cutting foreign aid, reducing military expenditures abroad, restricting the export of capital, tying our loans to purchases in the United States, cutting imports, stimulating exports, reducing foreign discrimination against our

goods, and so on. Quite frankly, I think there is a tendency to overemphasize such measures and to concentrate on them sometimes to the exclusion of the really important corrective: control of the money supply. Forces of international equilibrium work regardless of the obstacles either placed in their way or removed. For unless a country can succeed in isolating itself completely from the outside world, money runs around the obstacles, though perhaps it is slowed. Particular industries will be hurt by foreign restrictions. If there are punitive duties abroad on American cars, for instance, our cars will not be sold; but foreigners will buy other things from us that are available at less expense.

Disagrees With Prof. Triffin

The argument is made that there is bound to be a shortage of international liquidity that will retard the growth of production and trade. Professor Triffin of Yale presents this view and proposes as a solution making the International Monetary Fund a world central bank with the power to create credit. I feel the world is a long way from needing the kind of radical solution that Professor Triffin proposes. Provided there is no war or widespread inflation, by solving the dollar shortage we have solved the problem of international liquidity for a good long time to come. In addition, the International Monetary Fund has given a depth, flexibility, and discipline to the international monetary system that have greatly strengthened it. Monetary discipline makes large reserves less necessary. To revert once more to the British experience, before the pound became convertible many of the wisest heads were saying that reserves of \$5 to \$6 billion would be essential to make convertibility a success. But the British have been doing very well on reserves of \$3 billion, or sometimes less, and they are proceeding from year to year with growing confidence. Finally, world gold production has been rising at very satisfactory rates in re-

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Significance of Gold Moves To Domestic Banking

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cent years and the flow of newly mined gold into monetary reserves has also tended to increase.

Are our own gold stocks adequate? We still have about half of the world's monetary gold, but the slowness of our balance of payments to adjust to corrective measures, plus our role as the world's banker, suggests that we need large stocks of gold. We have always to reckon with the possibility that dollar balances will be converted into gold. Then, too, at times measures required to correct a recession in the United States will not be the appropriate measures to correct our balance of payments deficit. This was the situation in early 1958. We had a rapid gold outflow which called for a surplus budget and tight money. But because we had a recession on, we adopted precisely the opposite policies. Perhaps we overdid them, but we had to adopt such policies both for our own good and for that of the rest of the world. We therefore need the elbow room provided by adequate gold stocks. We still have about \$7 billion of gold over and above the 25% legal Federal Reserve reserve requirements and the Federal Reserve Board has the authority temporarily to suspend this requirement in an emergency. In fact, if a propitious opportunity should present itself, perhaps we should consider eliminating the requirement altogether. Even with the requirement, our gold stocks should be more than adequate for the present. We have arrived at a point, however, where we should certainly refrain from pursuing any policies that would be deliberately calculated to draw them down still further.

The significance of all this for those of us who are commercial bankers may not sound very cheering. Since demand deposits are the principal factor in the money supply, and since deposits are our bread and butter, it is not exactly heartening to hear that the growth of our deposits in the future may have to be slower than in the past. On the other hand, if our economy continues the dynamic rate of growth that it has enjoyed in the last decade or two, and economic forecasters predict great things for the '60s we may well be entering an era of higher levels of interest rates. In that case, we will earn more money on our assets. We can also keep looking for ways to reduce our costs and be more competitive. All in

all, it should not be too bleak a prospect.

Are We Being Outpriced?

Are we pricing ourselves out of world markets? This question is hard to prove one way or another from the statistics, so I shall not even try. My impression, however, is that our economy is not fundamentally outpriced, but is simply experiencing the first reactions to the harsh winds of the new European and Japanese competition in specific lines. As long as we keep a tight rein on inflation, I have a great deal of confidence in the ingenuity and enterprise of the American businessman. He cannot expect, of course, to be the low cost producer of every article. He will have to yield to imports in some lines and to competition with his exports in others. In some industries he may tend to be the marginal supplier. On the other hand, although there will be lost markets in some industries, there will be challenging new and greater opportunities in others. This is the essence of change.

There is one area in which we have clearly priced ourselves out of world markets: agriculture. Government support prices have held a price umbrella over production abroad and prevented the real international competitive strength of our revolutionized agriculture from being revealed. This may be another area where the newly imposed discipline of our balance of payments will influence our policies.

Thus Americans have suddenly become more conscious that they are living in an international economic world—an increasingly competitive world. May I suggest that this is only a beginning? This outside world will become increasingly important in the years to come. American business has been accustomed to thinking in terms primarily of the domestic market and of domestic competition. The success of the Marshall Plan has suddenly made us aware of a new dimension—the markets of Europe and Japan and also their competition. We are now on the threshold of a third dimension—that of the markets and competition of the underdeveloped parts of the world. This dimension will be slower to open up, but it may prove to be at the same time the most challenging and disturbing of all. Hong Kong may be just a warning signal of what is to come. If a little over 3,000,000 people in that tiny colony can build a textile industry that has become a threat to Lancashire and to our own industry as well, it staggers

the imagination to think of the competitive possibilities of, let us say the 400 million people of India, once their partially employed manpower is effectively harnessed.

We are thus in a period of rapid growth of world trade and of America's part in it. Rapid growth means rapid change. Change is painful. We shall have to be alive to the changes that are taking place and plan how best to meet them.

*Substance of a talk by Mr. Ester before 21st Annual Pacific Northwest Conference on Banking, Washington State University, Pullman, Wash.

Malley and Tonks Doremus V. Ps.

The elections of Francis J. Malley and Neal E. Tonks as Vice-Presidents of Doremus & Company have been announced by William H. Long, Jr., board chairman of the



Francis J. Malley Neal E. Tonks

57-year-old advertising and public relations firm. Both new executives are in the company's New York office.

Mr. Malley has been with the firm's public relations department since 1953 and has served for several years as Doremus' manager of news operations. Formerly he was with Chilton Company, 1947-53, where he was managing editor of The Spectator, insurance trade magazine.

As Vice-President for marketing and research, Mr. Tonks will supervise the agency's marketing, research and merchandising services and will be concerned with the continuing development of consumer products accounts. Prior to joining Doremus in 1956, Mr. Tonks was a product director of the Chix Baby Products Division of Johnson & Johnson and before that supervisor of marketing and merchandising for Batten, Barton, Durstine & Osborne.

Wells, Christensen Formed in N.Y.

Henry G. Wells & Co., Inc., 70 Pine Street, New York City, has announced that G. Raymond Christensen has joined the organization as Vice-President and the firm name has been changed to Wells & Christensen, Incorporated. Mr. Christensen was formerly Vice-President of James A. Andrews & Co., Inc., and prior thereto of Andrews & Wells, Inc.

Edward A. Crone who has been associated with the firm has also been elected a Vice-President.

Fred Storay With White, Weld & Co.

Fred A. Storay has become associated with White, Weld & Co., 20 Broad Street, New York City, members of the New York Stock Exchange. Mr. Storay was formerly a partner in Robertson & Co. which has been dissolved.

Brown, Bechard Branch

JACKSONVILLE, N. C.—Brown, Bechard & Co., Ltd., has opened a branch office at 228 New Bridge Street under the direction of James V. Kiernan.

Appraising the Value Of the Summit Conference

By Hon. Richard M. Nixon,* Vice-President of the United States

What we can make clear and accomplish at the impending Summit Conference is depicted by Vice-President Nixon. Referring to the West's "singularly providential situation," Mr. Nixon notes we approach the Summit with full confidence that the spokesman for the Free World and not Mr. Khrushchev represents the tide of history. He analyzes whether any or all of the objectives we desire can be partially or wholly attained at the Summit in terms of Khrushchev's attitudes, problems and other influencing realities.

How should Americans appraise the impending Summit Conference?

Let us begin by considering the question of what yardstick should be used in judging the success or failure of this Conference.

It is too generally supposed that the success of an international conference can be measured only in the amount of agreement that is reached, and agreement is too often equated with peace. This can be a serious and even fatal intellectual trap. The Summit at Munich resulted in agreement—but the agreement meant war, not peace. It meant war because it was based on the fiction that there was a limit to Hitler's ambition.

Consequently, as we approach this meeting, let us recognize that the success of a conference should be measured not in terms of whether there was an agreement but on whether the agreement was on the right things.

I do not mean by what I have said to endorse the view that meetings like this one can produce no constructive results and should therefore be avoided.

I believe it is vitally important for the United States and our allies to approach this conference as an opportunity rather than as, at best, something of a hazard from which the optimum result would be to leave us no worse off than before.

Three Fundamental Objectives

We should look upon the coming talks with the Soviets as a chance to champion and to achieve some affirmative fundamental objectives.

First, this conference provides an opportunity for us to make at least a beginning on practical arms control.

In this connection, we should concentrate on trying to get agreement on measures which would reduce the risk of war by miscalculation. Our Geneva proposal for prior notification of space vehicle launchings is the kind of step that might be agreed upon. We should also explore every avenue for breaking the log jam which bars the way to an enforceable nuclear test suspension agreement.

Fears have been expressed that the Soviets may try to make propaganda capital of their unspecified and completely unguaranteed proposals for general disarmament. If they do, there is no excuse whatever for us to be on the defensive against this kind of propaganda offensive. This conference will provide a world forum in which we can set the record straight.

We should emphasize that adoption of our general disarmament program with its effective controls will assure disarmament by deeds and not just by words.

We must make evident to the

entire world that if the Soviets are willing to consider some progress toward the kind of open society which we in the West maintain, both disarmament and peace itself can become realizable objectives rather than hopeless dreams. The closed society of the Soviet Union is, in fact, the major barrier to the disarmament which the great majority of the people in all nations want.

Second, this conference provides an opportunity for "defusing" the Berlin crisis and for laying the groundwork for negotiations which would lead to a formal and definitive solution of that problem.

We must make clear at all times our steadfast determination that we can never enter into an agreement which would in any way jeopardize the right of the people of Berlin to choose and retain the kind of government they want.

Any Communist action, such as a separate Soviet treaty with East Germany, which purported to threaten our rights or those of the free people of Berlin will torpedo any prospects for progress toward the disarmament and reduction of tensions which Mr. Khrushchev insists he wants and which we also want.

Third, this conference affords a unique opportunity to demonstrate the confidence and unity of the Western Alliance.

Mr. Khrushchev seldom misses an opportunity to express his confidence in the ultimate triumph of his system. Here is an area where we can and should go him one better.

Our military position is strong and will remain so. The Soviets, in spite of their missile boasts, are conscious of the restraint our strength imposes on any aggressive designs they might have.

But it is in terms of non-military strength, the area of so-called peaceful competition which Mr. Khrushchev discusses at every opportunity, that we have reason for the greatest confidence.

We can have no doubt after the President's recent trips through Asia and Latin America that the peoples of the world do not want totalitarianism. The leaders and people of the newly-developing nations know that their own independence will die if the free West does not survive.

We should never cease to stress our faith that the future belongs to governments and ideologies firmly based on the principle of self-determination—a principle which applies to all people who want to be free whether in Europe, Asia, Africa or the Americas.

We can make clear that we welcome the peaceful competition to which Mr. Khrushchev has challenged us. We should call on free people everywhere to mount the increased effort that this competition will require.

The Summit Conference in other words provides an opportunity for us to mobilize the moral and physical energies of the Free World for the economic and ideological struggle which will go on through the last half of the 20th Century.

Moreover, as the great forces of history are shaped the West is in

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a singularly providential situation as the Summit approaches.

Never in the years since World War II when this fight for the survival of freedom and the dignity of mankind was forced upon us, has the West had such an array of leadership. At the head of the four nations most directly involved, the three that will sit at Paris and Germany, whose people are most immediately threatened, are men who command immense public confidence and prestige both at home and abroad. As the time for this conference nears, de Gaulle of France, Macmillan of Great Britain, Adenauer of Germany and our own President Eisenhower are fortified by the strongest national support which the West has yet produced.

We can rightly approach the Summit with full confidence that the spokesmen of the Free World, rather than Mr. Khrushchev, represent the tide of history.

And, as far as our own nation is concerned, there has never been a time when Americans of both parties were more united than they are in this instance.

Refers to Political Unity

Mr. Khrushchev could make no greater miscalculation than to assume that President Eisenhower will be hamstrung in exerting strong leadership at Paris because we happen to be having a presidential election in the United States this Fall.

In this connection, I recall a revealing conversation involving Mr. Khrushchev at the dinner in his honor given by the President at the White House. I introduced Senator Lyndon Johnson to Mr. Khrushchev by saying, "Senator Johnson, as you know, is the leader of the opposition Party in the Senate." Mr. Khrushchev responded by saying, "Well, I've never been able to see any differences between your two parties in the United States."

He was certainly right in one respect. There is no difference between the two parties in their support of the President's uncompromising stand for the right of people everywhere to choose the kind of government they want and against those who by their aggressive policies would imperil or deny that right.

The Summit finally provides an opportunity for us to clarify our position toward the Communist bloc during the kind of peaceful competition which Mr. Khrushchev invites.

We can and will make clear that the moral difference between our system and the Soviet system is fundamental and cannot be narrowed in any way by the dialogue of peaceful competition. We can establish once again that we will not trade away our belief in that fundamental right of peoples to freely choose their own form of government.

At the same time we can make equally clear that we have come to Paris to make a determined effort to reduce the risks of atomic war and that we are ready for real progress toward control of armaments and an end to the recurring crisis threatening atomic war.

We should demonstrate our willingness to participate in discussions which might attain these objectives at this Summit Conference and at other Summit conferences in the future if they are needed.

What About Khrushchev?

What chance is there that any or all of these objectives can be partially or wholly attained at the Summit? This depends primarily on Mr. Khrushchev.

Never before in history has a man had more responsibility for the fate of mankind in his hands than Mr. Khrushchev will have at this conference.

As I said in my farewell radio-television address to the Soviet people, "If he devotes his immense

energies and talents to building a better life for the people of his own country, Mr. Khrushchev can go down in history as one of the greatest leaders the Soviet people have ever produced. But if he diverts the resources and talents of his people to the objective of promoting the communization of countries outside the Soviet Union he will only assure that both he and his people will continue to live in an era of fear, suspicion and tension."

What will Mr. Khrushchev's attitude be at Paris? There are strong reasons to believe that Mr. Khrushchev may actually want to make progress at this conference toward disarmament and in reaching settlement on some of the explosive issues which confront us. I think this may be his attitude not because he is motivated by what he scorns as sentimental idealism but because, realist that he is, he is concerned by some hard facts of international life.

What are the circumstances that tend to convince Mr. Khrushchev that disarmament and reduction of tensions are in his self-interest?

Mr. Khrushchev never fails to obtain satisfaction from pointing out the weaknesses and divisions which he believes plague the West. We must remember as the Summit approaches that he, too, has problems.

There is the demonstration of freedom in action which free Berlin affords to the people of East Germany.

There is the unceasing restlessness of the satellites, some of which are under an intolerable state of occupation by foreign troops.

There are the natural desires of his own Soviet peoples for an increasing share of their limited productivity, so much of which now goes into armaments.

And while it is probably too early to conclude that he may be troubled by his Chinese ally, it is appropriate to call attention to what our distinguished guest, President de Gaulle, has suggested that he may well be deeply concerned by the nightmare which is taking form on his long common border with China.

Finally, Mr. Khrushchev is bound to be influenced by the fact that he has seen, as we have, the diabolical enormity of nuclear weapons. Some of the Soviet nuclear devices have been among the "dirtiest" radio-actively speaking that have ever been exploded.

On the basis of my conversations with him, I am convinced that he is proud of what Communism has done in the Soviet Union. He would prefer not to risk destruction of that progress.

And, as Chancellor Adenauer put it, while Mr. Khrushchev and his Communist colleagues will never cease to work for their basic objective of a Communist world, they would prefer that the world over which they rule will not be one of ruined cities and dead bodies.

In other words, Mr. Khrushchev believes he can accomplish his objective of world domination without war, that he can win more and lose less by "peaceful competition" than by resort to war.

These, then, are the stark realities which will be working at Paris in behalf of progress toward disarmament and the settlement of differences without war.

It is because the hard facts of international life are on the side of peace and disarmament that I believe that we can look to this conference and to the future not with starry-eyed complacency but with justifiable confidence that responsible world leaders will slowly but inevitably develop more effective methods for settling differences between nations without war.

*From a talk by Mr. Nixon before the American Society of Newspaper Editors, Washington, D. C., April 23, 1960.

Salomon Bros. & Hutzler Observes 50th Anniversary

Salomon Bros. & Hutzler on Monday, May 2, 1960 observed the 50th anniversary of its founding. The firm opened for business on the first Monday of May, 1910, when Arthur K., Percy F., and Herbert Salomon formed a partnership with Morton D. Hutzler, a member of the New York Stock Exchange.

From its beginning Salomon Bros. & Hutzler has been closely associated with the money market. For many years, it has been one of the leading dealers in United States Government and Agency obligations and an underwriter and dealer in high grade municipal and corporate securities including bankers acceptances and finance paper. The firm has always been an active member of the New York Stock Exchange, providing service for institutional investors.

Benjamin J. Levy, senior partner, started with the firm on opening day in 1910. He became a partner in 1919 and senior partner in 1951. During the entire 50 years of the firm's existence, a member of the Salomon family has been continuously active in the management as a partner, and is currently represented by

William R. Salomon, a son of Percy F. Salomon, one of the founders, who died last month.

The firm presently has three hundred and seventy-seven employees in its eight offices located in New York City, Boston, Philadelphia, Cleveland, Chicago, San Francisco, Dallas and West Palm Beach.

Walker Branch In Phila. Opened

PHILADELPHIA, Pa. — G. H. Walker & Co., members of the New York Stock Exchange, announced the opening of an office at 123 South Broad St., under the management of Richard Claytor.

Mr. Claytor and his associates in the new Philadelphia office—John Wister Wurts, Charles Stewart Wurts, Jr. and Leonard Scott Bailey—were formerly with White, Weld & Co.

In Securities Business

(Special to THE FINANCIAL CHRONICLE)

BURLINGAME, Calif. — The Volker Corporation is engaging in a securities business from offices at 945 California Drive. Officers are Harold W. Luhnnow, president; Morris A. Cox, vice president; Claude E. Saller, treasurer; and Joseph O. Hill, Jr., secretary.

Pacific Finance Appoints Dillard

The appointment of I. Robert Dillard as assistant manager of the New York Financial Office of Pacific Finance Corporation, effective May 1, has been announced by Robert W. Borden, Vice-President.

Dillard comes to Pacific Finance from General Foods Corporation, where he managed the banking section since 1948. Except for wartime service in the U. S. Marine Corps, he had been with General Foods since 1938.

Nashville Dealers To Hold Party

NASHVILLE, Tenn.—The Security Dealers of Nashville will hold their annual spring party, May 19th and 20th. Cocktails will be served at the Hillwood Country Club, May 19th at 5:30 p.m. to be followed by dinner. Field Day will be held Friday, May 20th, at the Belle Meade Country Club, with luncheon from 11:30 to 2 and dinner at 7 p.m.

A special Hospitality Room will be open from 11 a.m. Thursday for members and guests.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Prospectus.

May 3, 1960

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All of these shares having been sold, this announcement appears as a matter of record only.

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NEW ISSUE

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Carolina Pacific Plywood Inc.

The Growing Struggle For Research Supremacy

By Mark W. Cresap, Jr.,* President, Westinghouse Electric Corp. Pittsburgh, Pa.

Astonished and concerned about the gap between the amount of basic research and its widespread understanding and appreciation, Mr. Cresap explores various ways of fostering pure science. The industrialist proposes use of tax incentives to induce greater expenditures by American industry; decries the effect of government funds which, for example, has resulted in only one-half of university research work being in pure science; warns that pure research must go on continuously regardless of gyrations in defense expenditures; and shows how such a modest sum as \$65 million to match National Science Foundation grants would significantly increase basic research. In concluding, Mr. Cresap reviews the Curtis Bill HR 4797 and proposes action be taken, not necessarily on this particular bill, that will maintain our research supremacy.

I propose to discuss some aspects of a new industry that has come onto the American scene. This industry is revolutionizing our technology. It is reshaping our economy. It is changing our daily lives. It is our greatest hope for improving our standard of living, for accelerating our national growth, and for maintaining a strong position in a dangerous world. I am referring to what the late Dr. Sumner Slichter named "the industry of discovery."

If we are to understand the significance of this mighty force we call research and development, I think we must "position" ourselves by calling certain major facts to mind.

First, this is a relatively new force in our economy. Scientific research, as we use the words today—a systematic, planned pushing against the frontiers of knowledge... the organized team application of such knowledge—this has prevailed in our country for hardly more than a generation.

Second, the really massive investment in research and development has taken place in the past six or seven years. The nation spent a total of \$3.5 billion for this purpose in 1952. It seemed like a lot of money then, and I can remember the general expression of astonishment at the magnitude of the investment. Well, we will spend more than three times that much this year.

Third, the national technical effort is a friendly and fruitful partnership among industry, the universities, independent research centers, and the Federal Government. Research is one area where the Federal agencies civil and military, have a large responsibility, both for performance and for supply of funds. It is an area where there is no conflict and no competition between industry and government—where anything other than wise collaboration would be detrimental to both.

Fourth, we must realize that technology is now springing from research in ever-shorter spans of years. Scientists are showing less and less respect for the old rules and restrictions of time. The poet Tennyson once wrote: "Science moves, but slowly, creeping on from point to point." That is certainly not true today.

Last October I said that navies needed thousands of years to shift from sails to coal, and 40 years to shift from coal to oil, but only 12 short years of the atomic age to launch the first nuclear submarine. It occurred to me later that 12 years is a rather long time as we measure technological

developments today. Less than three years ago, for example, we at Westinghouse were attempting to light a flashlight bulb with an untried source of power called thermoelectricity. Today we are building a 5,000 watt thermoelectric power generator for the U. S. Navy. Time has indeed been compressed as a controlling element in our technology.

Fifth, the United States is now reaping benefits of the \$69 billion we poured into research and development in the 1950's. A great accumulation of work-in-progress has been built up in the nation's research laboratories. We will be getting the pay-off on this work in the decade ahead.

Finally, we have entered a new age of advancement, change, and challenge. We are working not only with new products, processes and materials, but also with new principles and concepts. We will all have to up-grade our resources and performance to cope with this strange new technical age. I never realized this so clearly as when I read not long ago that a team of serious and sober scientists is working on a project to determine whether time runs backward as well as forward.

Dr. Keith Glennan, director of the nation's civilian space program, expressed the new order of technological challenge in this way. "In the past few years," he said, "mankind has made a 'quantum' advance in science and technology—one of those amazing explosions of minds and energies that have always marked the onset of a new era. Strange and revolutionary things are upon us, and more are coming. Old drives are accelerating. New drives are being released. Old patterns of thinking and action are breaking up. New patterns are forming. The future is rushing down upon us."

Cites Molecular Electronics or an Example

Let me give you an example. It concerns one of the most remarkable recent advances in the "industry of discovery"—a development called molecular electronics.

At the risk of oversimplifying the subject, imagine a single crystal of silicon or germanium so small that it can't be seen several feet away. You want this material to perform some electronic function. For example, you want it to amplify an electrical signal. So you add a few molecules of another material in the right spot. It turns out that you can build into this tiny crystal almost any complete electronic function you want. This is molecular electronics—the molecular engineering of solid state circuitry, where everything is achieved by atomic rearrangement.

You can imagine what changes this revolutionary new concept will work in the field of electronics. For a great many applications it means the complete

elimination of components like diodes, resistors, capacitors, tubes and transistors. It means a reduction in size to as little as one one-thousandth of present miniaturized systems. It means tremendous gains in the ratio of energy input to output. Because of the utter simplicity of these sub-systems, it means reliability of performance never before achieved.

Like other great breakthroughs in science, the development of molecular electronics has been speeded by brilliant discoveries in the art of making practical elements on a virtual mass-production basis. If I may inject a mention of my own company, I would like to pay tribute to Westinghouse scientists for developing a method of growing single crystals in a continuous ribbon from pools of molten semiconductors, treating them as they grow. The end product is a finished material which is ready, without slow further processing, for making finished molecularized sub-systems. It is conceivable that in the future we will be able to grow complete functional electronic systems, such as radios and amplifiers, in this way.

Molecular electronics is well past the "idea" or "theoretical" stage; it is "rushing down upon us." Last spring the Air Research and Development Command awarded a \$2 million contract to develop molecular sub-systems. Last month 17 working pilot models were demonstrated to the Department of Defense. At that time, the military stated its belief that in three to four years these tiny sub-systems will be controlling missiles and satellites. Some authorities estimate that ultimately 75 per cent of all electronic circuitry could be replaced by molecularized equipment, and some see the development in two to three years of a communications receiver the size of a pea.

I want to stress that this is not mere miniaturization. It is, rather, an entirely new concept—a concept in which the whole tedious process of building electronic equipment from individual components is done away with. This is indeed a triumph of what a great man called "the heroic age of physics."

Other Developments

I could describe other technical developments in the electrical industry. I could tell about thermoelectric power generators, which work silently without moving parts, and which we have built with an efficiency approaching the best automobile engines. I could discuss electroluminescent panel lighting; or ultrasonic cleaning; or of an amazing development in battlefield and long-range detection by thermal imaging, through the use of infra-red rays. I could report on progress made in developing the greatest discovery of our century—that mass is a form of energy, and that the transformation of one into the other can be initiated and controlled by man. There is in Detroit, in the Enrico Fermi Atomic Power Plant, one of the outstanding achievements in this field.

But the example I have cited—molecular electronics—illustrates dramatically most of the points I have made. It shows that today's research is a partnership among varied interests. It shows the key role that government plays in that partnership. It demonstrates that technology springs from research in a shortening span of time, and that we are beginning to reap benefits from the huge investment in research in the 1950's. It illustrates the fact that new concepts—"strange and revolutionary things"—are upon us.

The example illustrates one other major point as well. Molecular engineering is a realization founded on an ever-expanding knowledge of solid state physics. In its early stages, it sprang from the search for new knowledge by

university and industry scientists operating in the upper reaches of creative ability. And so molecular engineering is one illustration of the importance—the crucial importance—of basic research in our technology.

It is not necessary to belabor this paper with proofs that basic research is desirable and profitable. Indeed, we have long passed the point of where we have to "justify" the practical values of research. There is general agreement that society gets a big bargain with the dollars it invests in research. At the executive level there is solid understanding of the close correlation between a company's research program and its rate of growth and profits; and that applied research and product development move faster, more smoothly, and less expensively where they have been preceded by good basic research.

Decries Insufficiency of Basic Research

Given this widespread understanding and appreciation of the importance of basic research, it is astonishing that we are not getting enough of it. The fact is that we are not... that we should have more... and that if we do not get more, the results could be very serious indeed. The unanimity of opinion on this matter, from all professions and all persuasions, is truly striking.

In 1947, the Scientific Research Board, in a report to President Truman, declared that the security and growth of the United States depend on the rapid extension of scientific knowledge... that heavier emphasis should be placed on basic research... and that expenditures for this purpose should be at least quadrupled. Since then, we have heard variations on those statements from many sources, in many places, on many occasions.

Vannevar Bush in 1949 called for a stronger support of basic research. Herbert Hoover called for it in 1952. President Eisenhower in 1954. Alfred Sloan of General Motors in 1955, and Crawford Greenewalt of DuPont in 1960. Neil McElroy and George Kistiakowsky have done the same thing. So have Dr. Du Bridge of Cal Tech, Dr. Stratton of MIT, Dr. Seaborg of the University of California, and Dr. Warner of Carnegie Tech. The National Science Foundation, the American Association for the Advancement of Science, and the National Academy of Sciences have all done it—many times. The Republican Party asked for it a few days ago in its Task Force Report on Program and Progress. In 1958, a national conference of 510 businessmen, bankers, research scientists, research administrators, military men, government officials, educators, editors, labor leaders and professional economists called upon the United States to do something drastic about basic research—and to do it soon.

Dr. Alan Waterman, director of the National Science Foundation, has expressed alarm that national expenditures for basic research have not kept pace with growing expenditures for applied research and product development. He has testified eloquently that the university laboratories are starved for new and expensive modern research equipment. These laboratories, which perform about half the basic research in this country, are not as well equipped as the laboratories of many Russian universities.

Dr. Mervin Kelly, president of Bell Laboratories, said in Pittsburgh last December that it will require "an immediate and substantial increase in financial support of basic research to keep U.S. economic and military strength abreast of its enemies." He called this "a national problem of the highest priority," and he said that the percentage of total research and development

expenditures going to basic research this year is "most inadequate to meet the nation's needs."

And Dr. James Killian said at the Detroit Economic Club just one year ago: "It appears that only about six per cent of the total research and development expenditures in this country is being spent for basic research. Such a serious imbalance of effort is a hazard to the economy, the safety, and the health of this country. If we are to continue to maintain an over-all defense strength second to none... we must augment this effort."

Can we doubt or discount the advice of these responsible spokesmen? Can we hear such words and not take some immediate action to increase the amount and improve the quality of our basic research? Speaking for myself, I will say that I accept these words at face value, am disturbed by them and am moved to seek some means of correcting the situation they describe.

Problem of Obtaining Money

A main problem, of course, is money—how much of it we need, where to get it, how and where to spend it. Money, to be sure, is only part of the problem. It cannot buy or create brains. Dr. Szent-Gyorgyi, Nobel Prize winner in medicine, has poked gentle fun at businessmen who say, in effect, "If it takes nine months for a woman to produce a baby, let's put nine women on the job and get it done in one month." However, he would probably agree that money helps... that it is the sector where we can do something fastest... and that we can hardly win the struggle for research supremacy if we fail to use as much of it as we really need.

Where is the additional money to come from? From the Federal Government? Government's share of the basic research bill is already very large. It performs about one-seventh of the basic research work being done. Private industry performs about one-third, and the universities and their affiliated research centers perform almost half. But the government now pays for almost 50% of the total national basic research effort. It will spend \$494 million on basic research this year. About 5% of the government's expenditure will go to private industry... 30% to its own government laboratories... and half to the universities and their research centers.

There are strong arguments against calling on the government to pay a still higher percentage of the bill for pure research.

For one thing, we run the risk of excessive government control over the university laboratories and research centers. This is not an abstract fear based on principle; it is a very real problem, and no one has warned against it more strongly than those government officials who are charged with responsibility for government support of basic research.

Where Federal or industry grants are made to the universities without strings attached, control is no problem. But otherwise, those who pay for research work inevitably will control that work to some extent. They must determine the recipient of the contract, the subject to be researched, what facilities will be used, what schedule will be followed, and which people will do the work. Where this authority is spread among scores or hundreds of individual companies, the control is minimal and it can be resisted. Where it is centralized in two or three major sources, it can—despite the best will and intent—come close to total dominance.

A second danger is that of serious imbalance in the nature of the research work being carried on.

Our colleges and universities



Mark W. Cresap, Jr.

are a precious national resource for pure research. They have the atmosphere, tradition and environment in which basic research flourishes. It would be tragic if the university mission became diluted with too many projects involving development and applied research. If this happened, our progress in pure science would suffer. So, too, would the caliber of the training of our new scientists.

Dilution of University Pure Research

That this mission has already become somewhat diluted is indicated by the fact that less than half of the research work the universities are doing today is in pure science. To put it another way, less than half the energies of our university science faculties is being directed at basic research.

In 1958 the National Science Foundation stated: "Concern is sometimes expressed not only by scientists but by university administrators as well, at the extent to which the academic departments of institutions of higher learning are becoming committed to carry out applied research and development projects for the Federal Government." The director at that time asked Federal agencies whenever possible to reserve universities for work in pure science and to place large-scale development projects elsewhere. A few weeks ago the scientific advisor to the State Department made the same request.

Finally, there is the danger that comes with a cut-back in research funds. The cut-back may result from a shift in political direction, a lessening of world tension, or simply from budget problems; but whatever the cause, the results can be both sudden and severe. This is a problem which affects both industry and the universities, and it should be a matter of concern to everyone who cares about the national welfare.

We are hardly likely to repeat the technical demobilization we suffered after World War II, and we will certainly never return to the pattern of 1940, when the Federal Government paid for a few million dollars of pure research each year. But the research work of a given university, of an independent research center, of a private company, may be built up to a high level and then suddenly reduced or halted. This means their staffs may be broken up and their skills, and perhaps their equipment, dispersed. It means start-and-stop support of individual programs. This must always be expected to some extent when research appropriations are questioned each year in the political arena. Those appropriations must be measured against

other claims for Federal funds, some of which are good and persuasive, and most of which have far faster and more tangible results than long-range exploratory studies in science.

When conditions change, the change must certainly be reflected in our development programs and in production of hardware. Pure research, however, should not change, for it is in a different category. It is different because almost all the basic research work being done at a given time deserves to continue no matter how conditions change. It is different because our military posture five, 10 and even 20 years hence is being determined by what we are doing or are failing to do in pure science right now. Even if peace were "declared" tomorrow—even if the Russians stopped acting like Russians and Red China dropped from the face of the earth—those research projects should be continued solely in terms of our own national objectives. Our economic growth, our progress and prosperity, depend on them. And even peaceful competition with the Soviet system demands that we maintain a technological lead.

Tax Induced Industry's Support

If additional support for basic research does not come from government, then there is only one other place it can come from. That is American industry.

Now, we can agree that there is little point in simply exhorting industry to increase its expenditures and grants in support of basic science. Basic science is not industry's first responsibility; and it will do no more of it in its own laboratories than it can justify economically. It will contract research projects to outside laboratories only when it is advantageous to do so. It will give as much money as it feels it can afford to the universities for pure research work and for better research facilities. Perhaps we should all give more money than we do; but to say this in the pious hope that something will be done is like shouting against the wind.

The answer is that the Federal Government must give industry a reason—an incentive—to increase progressively its support of basic research. The National Science Foundation has recommended that serious consideration be given to the use of tax incentives for this purpose. One of the political parties has formally called for government to encourage increased support for basic research through tax incentive. The idea has been broached in several recent articles. It is being discussed among scientists and science administrators.

Among the incentives which

have been proposed are a faster write-off of new research facilities; an outright tax credit for research contributions or expenditures; and a provision which permits an income tax write-off of more than 100% of expenditures on scientific research facilities, similar to the 120% write-off granted by the United Kingdom.

A bill now before the 86th Congress would amend the 1954 Revenue Code to provide one such incentive. I should like to close this paper by describing it briefly. But since a businessman recommending tax incentive is automatically, in some quarters, a robber of widows and orphans and a base seeker of special privilege, regardless of his real motives and no matter how worthy the cause, I want first to insert this footnote.

I am speaking for what I believe is the national good; and I am not proposing a program for the benefit of any particular industry or company, including my own. The electrical industry was built and now subsists on research. We have conducted research not on a "crash program" basis, but continuously since the inception of the business, year-in and year-out, in good years and bad, in peace and war, with and without government assistance.

My company established its first research laboratory in 1904, has doubled since 1950 the percentage of its sales dollar devoted to basic research, and has just undertaken to double the size of its central research and development laboratories. We have done this without tax incentive and we can continue to do it without tax incentive; but I know that there are many areas in industry where tax incentives are needed and where it would be in the public interest to grant it.

Discusses Curtis Bill

The Curtis Bill HR 4797 would permit a business or individual taxpayer to take an income tax credit—that is, a deduction from the actual tax bill rather than from the taxable income—for contributions to basic research work in science performed by colleges, universities, and other non-profit research organizations. The deduction would be limited to 90% of the contribution. It could not exceed 5% of the total tax bill. The university or center itself would determine what constitutes basic research, and since they prefer to work in pure science, such grants would have a built-in self-enforcing effect.

The Curtis Bill would also permit a business taxpayer to take an income tax credit for basic research in science performed in its own laboratories. The credit would be for 75% of the amount spent and could not exceed 3% of the company's total tax bill.

These internal research expenditures would be hedged about with careful safeguards. For instance, such fundamental research projects, in order to qualify, would have to be certified by a board of eminent scientists appointed by the President on the recommendation of the National Academy of Sciences. All findings in such projects would be published and so would be, in effect, in the public domain.

This method of research support, it seems to me, is more desirable, more effective and less expensive than direct grants by government. For one thing, the money would go straight from the taxpayer to the laboratory. It would not make that long trip from industry to Washington and then on to the laboratory; and thus it would escape the attrition and administrative expense which result on that journey. For another thing, interference with and control of university research work would be minimized, because the grants would have no strings attached and would come

from many sources. Stability of research operations would be improved, because they would be less subject to annual political review and change. Most important, of course, the proportion of work carried on in pure science would rise rather quickly and substantially. More of the talent in industrial laboratories would be directed at basic research. The very sizable gap that now exists between what the nation's scientists do and what they could do would narrow.

Suggests Matching National Science Foundation Grant

I should like to point out that when we speak of funds for basic research, we are speaking of relatively small sums of money involving a core of only 15 to 20,000 basic research scientists. The total grant budget of the government agency responsible for the support of basic research, the National Science Foundation, is a little over \$65 million this year, almost all of the money going to the universities. If industry were to do no more than match that modest sum by its own grants, the benefits to pure science would be very great indeed.

Our national experience has been that the expansion of science into new areas has always created new economic frontiers, followed by a broadened tax base. The McGraw-Hill Department of Economics has estimated that 13% of all manufacturers' sales this year will be accounted for by new products—that is, by products which were not made four years ago. This amounts to some \$51 billion in extra taxable business. Most of those new products, of course, sprang from research and development.

The Internal Revenue Code was amended in 1954 "to encourage taxpayers to carry on research and experimentation." That amendment gave the taxpayer an option to deduct his research expenditure currently or to capitalize and amortize it over a period of not less than 60 months. We shall never know how much of the giant outburst in research investment since 1954 has been due to that new tax incentive; but certainly the change helped and certainly it brought the Treasury many, many more dollars than it cost. Enactment of further tax legislation now would not work any miracles overnight, but I suggest that it too would stimulate the general economy and so increase rather than lessen tax revenues. I want to invite attention to the problem in the hope that it will receive thoughtful consideration and that many will

perhaps agree with me that some action should be taken.

The Soviet Union has proclaimed its determination to lead us in science and technology. We know that, despite the inefficiency and waste of its system, it is advancing at a rapid rate. We know that it is laying heavy emphasis on basic research. We know that it is turning out half again as many research scientists as we are. We can guess that they have decided that the nation will win the future which advances fastest and farthest in science and in the technological products of science. This presents us with a new and striking challenge. We have to run a race of unknown length over a strange track. The only known element is the fatal consequence we face if we come in second.

We Americans will never lose the struggle for research supremacy if we decide what we must do and then do it with energy, courage and decision. Our country has tremendous resources in materials, facilities, capital, and human talent. We have imagination, drive, and the ability to organize and get things done. We have made substantial progress in improving our research effort in recent years; and there is convincing evidence that our over-all research program has no equal anywhere else in the world.

If we improve and accelerate this effort still further . . . if we expand our total technical effort into new and necessary areas of our economy . . . if we set our national goals high . . . then we will certainly maintain a strength which will serve to improve our standards of living, build our defenses, and foster human freedom everywhere.

*An address by Mr. Cresap before the Economic Club of Detroit, Detroit, Mich.

Appointed by Delaware Fund

PHILADELPHIA, Pa.—The appointment of William F. Gillen as a regional representative of Delaware Fund and Delaware Income Fund throughout New England, Long Island and New York City has been announced by W. Linton Nelson, President of Delaware Management Company, Inc., national distributor of both Funds' shares.

Mr. Gillen comes to his new post from Girard College where he was Secretary and Business Manager of the Alumni Association.

All of these shares having been sold, this advertisement appears as a matter of record only.

NEW ISSUE

200,000 Shares

Dade Metal Fabrications, Inc.

COMMON STOCK
(Par Value \$.10 per Share)

R. A. HOLMAN & CO.
INCORPORATED

54 Wall Street

New York 5, N. Y.

May 5, 1960

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities. The offer is made only by the Offering Circular.

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General Castings Corporation

Common Stock

(Par Value 10c per Share)

Price \$3 Per Share

Copies of the Offering Circular may be obtained only in such states where the securities may be legally offered.

Underwriters

Bertner Bros.
67 Wall Street
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Earl Edden Co.
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New York 5, N. Y.

FROM WASHINGTON ...Ahead of the News

BY CARLISLE BARGERON

Wayne L. Morse, the unpredictable Senator from Oregon, recently accepted a fee of \$500 from the Teamsters' Union for making a speech. He was one of two Senators who voted against the recent labor legislation. The Teamsters consider him all right and this was a way of showing their appreciation.

On "Meet the Press" Sunday, the Senator was asked what he considered the difference in accepting this fee from the practice, widely criticized, of members of regulatory agencies in accepting the hospitality of men they are supposed to regulate.

There is no difference, of course. And the Senator never did answer the question. The only thing he said was that he had introduced a bill in Congress calling for a full disclosure of all fees which members of Congress and members of regulatory agencies receive from making speeches.

It so happens that two members of regulatory agencies have recently come under such criticism from members of Congress for accepting the hospitality of persons they are supposed to regulate and have been asked to resign.

I know of a Senator who is quite an honorable man. He has done a lot of favors for a particular industry. In the Senator's last campaign the industry failed to come up with a campaign contribution. When the campaign was over, the Senator made it a point to let the industry know that he felt they had been very ungrateful.

The industry got to thinking about it and realized that their public relations had been bad. So at their next industry-wide meeting they invited the Senator to address them and paid him \$1,000 for the job.

Senator Morse says that the reason he voted against the labor bill—the other Senator was Langer of North Dakota, now dead—was because of one provision in the bill. He stated that, as passed, the bill left thousands of employees without the protection of the NLRB. They must depend upon State adjudication of their grievances. This is a pretty thin explanation.

Morse is a captive of organized labor and always has been. During the war he was Chairman of the War Labor Board which handled thousands of labor-management disputes. There is not the slightest doubt that he ruled on all cases with a view to running for the Senate from Oregon where there were 90,000 workers in the Kaiser shipyards alone.

His record in the Senate has always been one of consistent support for organized labor. He has served them faithfully.

The amazing thing to me is that now that Oregon doesn't have so many shipyard workers, the State still elects and reelects him. It apparently still has plenty of labor votes.

Senator Capehart, of Indiana, has introduced a bill to remove the court monitors from their hold over Jimmy Hoffa. The court monitors have now been holding up an election in the Teamsters' Union for more than two years and have collected more than \$200,000 from the Teamsters.

Senator Capehart holds that he doesn't want any court monitors running labor unions. The Teamsters have had plenty of time now to determine whether they want to reelect Hoffa or not. If they

want him after all the disclosures that have been made, they should be permitted to keep him. The chances are overwhelming that in another election, even one supervised by the monitors, that Hoffa would be reelected. The Teamsters have a strange loyalty to him. They contend that they don't care how much of the funds he appropriates to himself if he gets high wages for them.

This, in spite of the fact that testimony before the McClellan Committee showed that in numerous instances Hoffa henchmen had accepted low pay schedules from the employer because they were bribed.

Straus, Blosser Adds A. S. Walter

CHICAGO, Ill.—Alfred S. Walter has joined Straus, Blosser & McDowell, 39 South La Salle Street, members of the New York



Alfred S. Walter

and Midwest Stock Exchanges, it was announced by Frederick W. Straus, partner.

Mr. Walter was formerly with Goldman, Sachs & Co., in New York. His wide experience includes all phases of both corporate and municipal financing.

Balt. Paint & Chem. Securities Off'd

Public offerings of \$750,000 of 6½% sinking fund debentures due Feb. 1, 1975; 90,000 shares of the 6½% cumulative convertible first preferred stock and 85,000 shares of common stock, of Baltimore Paint & Chemical Corp. were made on May 4 by underwriting groups headed by P. W. Brooks & Co. Inc. The debentures with 8-year common stock purchase warrants attached, were offered at 100%, plus accrued interest from March 1, 1960; the preferred stock was priced at \$20 per share, and common stock at \$8.50 per share.

Net proceeds from the sale of the debentures, preferred and common shares, will be applied as follows: repayment of a loan used for the purchase of M. J. Merkin Paint Company; purchase of land, buildings and plant presently leased by the company together with an adjacent tract of land; construction of additional manufacturing, warehousing and office space; purchase of additional machinery and equipment. Balance of the proceeds will be added to working capital.

Each \$1,000 and \$500 debenture carries warrants enabling the holder to purchase 40 shares and 20 shares, respectively, of the common stock of the company at a price of \$9.25 per share on or before March 1, 1964 and at \$10.50 per share thereafter until March 1, 1968.

The debentures are redeemable

for the sinking fund at 102½% on or before August 1, 1968; and at optional redemption prices receding from 105% on or before March 1, 1965 to 100%, plus accrued interest in each case.

The preferred stock is convertible into common stock at the holder's option on or before March 31, 1965, at \$9.25 per share, thereafter to March 31, 1970 at \$10.50 per share, and thereafter to March 31, 1975, at \$12 per share, subject to adjustment under certain conditions. The preferred stock is entitled to an annual sinking fund commencing July 1, 1962, and will be redeemable through the sinking fund at a redemption price of \$20.50 per share, plus accrued dividends.

The corporation is a manufacturer of a wide line of quality household paints and industrial finishes. The company believes it is the largest producer of traffic paint for marking lanes and dividing lines on streets and highways.

Upon conclusion of the current financing, outstanding capitalization of the company will consist of: \$750,000 6½% sinking fund debentures due 1975; \$2,000,000 of 6½% sinking fund debentures due 1973; 90,000 shares of 6½% cumulative first preferred stock; and 545,856 shares of common stock.

Columbia Gas Sys. Com. Stk. Offered

Public offering of 1,400,000 shares of common stock of The Columbia Gas System, Inc., was made on May 4 at \$19.25 per share by an underwriting group headed jointly by Merrill Lynch, Pierce, Fenner & Smith Inc.; Shields & Co.; R. W. Pressprich & Co. and Carl M. Loeb, Rhoades & Co. The group was awarded the shares at competitive sale on May 3 on a bid of \$18.58 per share.

Net proceeds from the sale of the new stock will be added to the general funds of Columbia Gas and, together with other funds will be used to satisfy the demands in 1960 upon such general funds. The most important of such demands is the financing of the 1960 construction program of Columbia Gas subsidiaries. The construction program for 1960 is presently estimated to require expenditures of approximately \$98,000,000.

Columbia Gas System is an interconnected natural gas system composed of the corporation itself, 16 operating subsidiaries and a subsidiary service company. Operating subsidiaries are primarily engaged in the production, purchase, storage, transmission and distribution of natural gas. Retail natural gas operations are conducted in the states of Ohio, Pennsylvania, West Virginia, Kentucky, New York, Maryland and Virginia. The system also engages in wholesale operations, selling natural gas to non-affiliated public utility companies for resale to their customers. Certain subsidiaries produce and sell gasoline and other extracted hydrocarbon products and one subsidiary produces and sells oil.

Consolidated gross revenues during 1959 totaled \$465,071,000 and consolidated net income was \$40,377,000.

Capitalization of the corporation to be outstanding after giving effect to the sale of the new shares of common stock will consist of \$580,941,500 debentures and 30,184,905 shares of common stock.

Form Inv. Planning

BOISE, Idaho—Investment Planning Corporation has been formed with offices in the Idaho Building to engage in a securities business. Officers are Keith E. Putnam, President; John P. Young, Vice-President; Alen M. Denese, Secretary, and Yamato L. Sugahiro, Treasurer.

THE MARKET . . . AND YOU

BY WALLACE STREETE

Industrial stocks this week staged the first successful test of a low since the 1960 decline started, a performance that brought in bargain-hunters in sufficient numbers to give the list its best rebound since early in February.

The industrial average found support when it had come within half a point of the March 8 closing low of 599.10. Even on an intraday basis, which exaggerates the actual swings, the test was a success since the 596.61 bottom posted this week was still 0.41 above the absolute low recorded in March.

Cheering Action

The action was cheering to the bulk of the market students, particularly since all the areas in the 600 bracket, where resistance to declines was believed to exist, had collapsed without putting up any sort of struggle. And in the absence of any test of an old low, no sign of a floor existed. The action this week changed that.

Then, too, the chart men had been looking for a new decline to at least 585, another resistance area. But the fact that support was found at a level considerably higher obviates, at least for a time, any further attrition. Meaning that when a considerable body of technicians predict some market action, their own influence with investors more or less guarantees that it will occur.

Also encouraging was the rail average which staged nearly an exact copy of the industrial action, stopping with a fraction of the old low. A breakthrough by either of the averages would have generated new pessimism.

Bull or Bear Market?

There is also a bit of psychology mixed into the technical approach to the market. The swift decline of January-March trimmed one-third of the 266-point advance from the October, 1957, low to the peak of Jan. 5, 1960. And as long as the decline was held to a third, it can still be argued that this is merely a "correction" in a bull swing and that, unlike the story told by the Dow Theory recently, we are not in a bear market.

First quarter earnings reports were glowing over a broad front. The market reaction indicated that much of this good news had been discounted in advance, and in some cases unexpected profit

trims occurred. But it doesn't add up to an economy on the brink of a recession that would necessarily call for stocks to go into a bear swing.

And certain selected items around indicated clearly that they were immune to the bull-or-bear market debate by racing independently to all-time highs even when there was pressure in other portions of the list. There were two dozen in this category a week ago when the general list suffered one of its hardest setbacks of the year without a single up session for the week. And most were busily nudging higher again this week.

Laggard Aircrafts Bumping Bottom

Apart from these, there are several major groups that have not participated in the runup of recent years, hence have little in the way of correcting to do now. Aircrafts are one such group as they seem to be bumping bottom after staging their own private bear market.

One demonstrated money-maker in the plane lineup is Grumman Aircraft, yet the disinterest in aircrafts per se is such that Grumman offers a yield of 6% which is distinctly above-average. The stock has had little play all year, its range running only a shade over five points. Grumman has been making progress in getting away from complete dependence on military orders.

At present, Grumman's chief customer by far is the government, but it has built up its private plane business and through subsidiaries is engaged in auto truck bodies, fiberglass boats and experimental ships. These activities aren't yet important in Grumman's picture but it is in them that the chance of expansion rest.

In its own right Grumman has an unbroken dividend record stretching back to 1933, several years after it was founded, to attest to its earnings ability. Last year on an increase of a little over a fourth in sales, the company nearly doubled its net income. Earnings projections for this year indicate another sizable increase in profit. The dividend longevity is a unique record in the aircraft industry.

Interest in the Packers

The boom-bust line in recent years has been the meat packers. They operate at extremely low profit margins that normally run around 1%

of sales, and are vulnerable to sudden shifts in the prices of livestock such as the sharp jump in hog prices early this year.

However, the packers have been busy at work solving their problems. Plant modernization and handling equipment has been utilized to improve their status, inefficient plants closed and operations diversified geographically to cut down on their heavy freight expenses. There is also the continuing effort to diversify outside the livestock lines of tradition. Wilson & Co. is the largest sporting goods company and the good profits here give this basic meat packer one of the best profit margins in the industry. Armour has been busily expanding in fertilizer, leather, chemical and soap lines to where more than half of the pre-tax earnings are from these rather than its meat processing. In general, good results were turned in last year despite a strike in the industry. With the strike behind, continued improvement is assured for this year.

The store stocks have had little sustained public following and prices here have not gone to any excesses, particularly the larger department stores where the threat is that expenses of spreading out to suburban shopping centers will cut into their profits. W. T. Grant, for one, has been busily following the suburban centers in the last five years, more than 300 stores of its 800 in such shopping areas. Despite its modernization and store expansion the company was able to report record sales and profits last year as the added units start to contribute to the company's well-being. Grant's stock has been stimulated a bit by a pending stock split. Where there has been no such stimulant, as in Macy's, the pattern is of narrow price ranges for the year. Macy's is a scant three points.

Neglected Electronics Stock

The neglected item in the electronics is Amphenol-Borg which, lately, has only worked back to within touching distance of the high posted early last year. It is deep in electronic work, including products for guided missiles and computers. But the interest in "wonder" stocks seems to have skipped by this member of the clan.

The latest split candidate is Hershey Chocolate which has moved narrowly, its 1960 range running to less than eight points despite its relatively high price tag in the 80 bracket. The stock hasn't been split since 1947 and lately splits have been something of a rage. There are also hopes of dividend largess since earnings for this year are expected to run more than

double the present dividend requirement. Record profit last year came within half a dollar per share of being double the payout.

W. R. Grace & Co., one of the most diversified of all domestic corporations, is now largely a chemical enterprise with some two-thirds of operating profit contributed currently by the chemical portion that was only started a decade ago. The profit possibility of the chemical line was demonstrated last year when an increase of less than a fifth

in sales jumped the chemical division profit 44%. The earnings growth, moreover, appears to be expanding yet this neglected item at recent prices offered a yield of above 4% on a well sheltered dividend.

[The views expressed in this article do not necessarily at any time coincide with those of the "Chronicle." They are presented as those of the author only.]

Syracuse Funds, Inc.

SYRACUSE, N. Y. — Syracuse Funds, Inc. has been formed with offices at 2407 James Street, to engage in a securities business.

J. Barth & Co. Opens Branch in San Jose

SAN JOSE, Calif. — A fifth office of J. Barth & Co., San Francisco investment securities, has been opened in San Jose, Calif., with James E. Ryan as resident manager.

The office is located in the new Town & Country Village in San Jose, a 50-acre shopping center. J. Barth was the first tenant to move into the new development.

Mr. Ryan has a staff of six registered representatives assisting him. They are Alexis L. Erhman, Jr., Richard A. Gallucci, Michael H. Gault, Robert J. Hen-

derson, Norman J. Roth and Robert C. Ryan.

J. Barth was founded in San Francisco in 1883 and has been an important factor in the Pacific Coast securities business for decades.

Now Corporation

(Special to THE FINANCIAL CHRONICLE)

COLUMBUS, Ohio — Gallagher-Roach and Co., Inc., a corporation, is continuing the investment business of Gallagher-Roach & Company, 40 West Broad Street. Officers are Clement W. Roach, President; Robert J. Gallagher and Donald H. Bradley, Vice-Presidents; Jack D. Griffith, Vice-President; and John A. Bernard, Secretary-Treasurer.



What is the Bell System?

THE Bell System is wires and cables and laboratories and manufacturing plants and local operating companies and millions of telephones in every part of the country.

The Bell System is people . . . hundreds of thousands of employees and more than a million and a half men and women who have invested their savings in the business.

It is more than that. **The Bell System is an idea.**

It is an idea that starts with the policy of providing you with the best

possible telephone service at the lowest possible price.

But desire is not enough. Bright dreams and high hopes need to be brought to earth and made to work.

You could have all the equipment and still not have the service you know today.

You could have all the separate parts of the Bell System and not have the benefits of all those parts fitted together in a nationwide whole. It's the time-proved combination of research, manufacturing and opera-

tions in one organization—with close teamwork between all three—that results in good service, low cost, and constant improvements in the scope and usefulness of your telephone.

No matter whether it is one of the many tasks of everyday operation—or the special skills needed to invent the Transistor or develop underseas telephone cables—the Bell System has the will and the way to get it done.

And a spirit of courtesy and service that has come to be a most important part of the Bell System idea.

BELL TELEPHONE SYSTEM



American Telephone & Telegraph Company • Bell Telephone Laboratories • Western Electric Company • New England Telephone & Telegraph Company • Southern New England Telephone Company • New York Telephone Company • New Jersey Bell Telephone Company • The Bell Telephone Company of Pennsylvania • Diamond State Telephone Company • The Chesapeake & Potomac Telephone Companies • Southern Bell Telephone & Telegraph Company • The Ohio Bell Telephone Company • Cincinnati & Suburban Telephone Company • Michigan Bell Telephone Company • Indiana Bell Telephone Company • Wisconsin Telephone Company • Illinois Bell Telephone Company • Northwestern Bell Telephone Company • Southwestern Bell Telephone Company • The Mountain States Telephone & Telegraph Company • The Pacific Telephone & Telegraph Company • Pacific Telephone-Northwest • Bell Telephone Company of Nevada

NEWS ABOUT BANKS AND BANKERS

Consolidations • New Branches • New Offices, etc. • Revised Capitalizations

Appointments of Robert J. Frisch, Raymond J. Smith and Henry J. Slattery as Assistant Trust Officers of Manufacturers Trust Company, New York, is announced by Horace C. Flanagan, Chairman of the Board. All are assigned to the Bank's Personal Trust Department.

Mr. Frisch joined the Bank in 1934. Mr. Smith came to the Bank in 1953.

Appointments of Arthur C. Schupbach as an Assistant Vice-President and of John R. Byrnes as an Assistant Secretary was also announced by Mr. Flanagan.

Mr. Schupbach joined the Bank in 1929 and was appointed an Assistant Secretary in 1944. Mr. Schupbach is assigned to the Bank's Brownsville Office.

Mr. Byrnes came to the Bank in 1941 and is assigned to the Bank's Brooklyn Trust Office.

Four new appointments of officers at The Bank of New York announced April 29 by Albert C. Simmonds, Jr., Chairman, were: Douglas Brown, Jr., Assistant Vice-President; Miss Margaret Brooks, Assistant Treasurer; J. Richard Powell, Assistant Treasurer, and Miss Helen D. Rennie, Assistant Treasurer.

Mr. Brown will manage a new office of the Bank to be opened in the near future. Mr. Powell will also be located at this office.

Miss Brooks will be associated in the administration of the employee relations program at the Bank's main office at 48 Wall Street. Miss Rennie will continue at the Bank's 73rd Street office in her new official capacity.

Reginald L. Clute has been appointed Senior Agent of The Canadian Bank of Commerce in New York in succession to John Pogue, who is retiring after 44 years with the Bank. During his 35 years with the Bank, Mr. Clute has served in Vancouver, Winnipeg and Montreal. From 1951 until 1956 he was a Superintendent at Head Office in Toronto, and has since then been the Bank's Resident Representative in Chicago.

Approval was given on April 22 to the State Bank of Albany, N. Y., by the New York State Banking Department to increase its capital stock from \$6,965,380 consisting of 696,538 shares of the par value of \$10 each, to \$7,145,380 consisting of 714,538 shares of the same par value.

Plan of Merger providing for the merger of Saratoga National Bank of Saratoga Springs, N. Y., into State Bank of Albany, N. Y., under the title "State Bank of Albany," was filed on April 22, with the New York State Banking Department.

Ralph Jewell, President of the Waterville Savings Bank, Waterville, Maine, died April 29 at the age of 76.

The Blackstone National Bank of Uxbridge, Uxbridge, Massachusetts, with common stock of \$100,000; and The Whitinsville National Bank, Whitinsville, Massachusetts, with common stock of \$120,000 consolidated effective as of April 15. The consolidation was effected under the charter of The Blackstone National Bank of Uxbridge and under the title "Blackstone Valley National Bank of Whitinsville," with capital of \$310,000, divided into 31,000

shares of common stock of the par value of \$10 each.

The Foxboro National Bank of Foxborough, Foxboro, Massachusetts, increased its common capital stock from \$100,000 to \$200,000 by a stock dividend effective April 20. (Number of shares outstanding—5,000 shares, par value \$40.)

The First Pennsylvania Banking and Trust Company, Philadelphia, Pa., announced April 27 that it had agreed to buy the Virgin Islands National Bank, which was founded in 1902 and has deposits of \$17,200,000.

The shareholders of Virgin Islands National will receive 31,000 shares of First Pennsylvania stock.

Earl S. Merriman and John A. Saar have been appointed assistant cashiers in the Operating Department of Mellon National Bank and Trust Company, Pittsburgh, Pa. The appointments were announced by Frank R. Denton, Vice-Chairman of the Bank.

Stockholders of Western Pennsylvania National Bank, Pittsburgh, Pa., and stockholders of William Penn Bank of Commerce, Pittsburgh, Pa., on April 26 in separate meetings approved the consolidation of the two banks.

William Penn became the 23rd Community Office of Western Pennsylvania National on Saturday, April 30. The combined bank organization will have total resources of more than \$200,000,000.

Wilbert S. Greb, formerly President of William Penn Bank, has been elected Vice-President of WPNB and manager of the William Penn Office. Edward Crump, Jr., becomes Chairman of the advisory board for the William Penn Office.

By the sale of new stock the First National Bank and Trust Company of Red Lion, Pennsylvania, increased its common capital stock from \$267,500 to \$400,000, effective April 20. (Number of shares outstanding—40,000 shares, par value \$10.)

William M. Hill, Assistant Cashier of The Bank of Virginia, Richmond, Va., has been elected Assistant Vice-President effective May 1. The announcement of Hill's promotion was made by Herbert C. Moseley, Bank President.

A new branch office for The Ohio Citizens Trust Company, Toledo, Ohio, the first bank authorized in neighboring Oregon, Ohio, will be opened next month, according to Willard I. Webb, Jr., President. It will be the bank's eighth office in the Greater Toledo area.

Robert J. Werner, former assistant manager of the Colony branch and with the Bank since 1951, has been appointed manager of the new Oregon office.

The First National Bank of Girard, Ohio, increased its common capital stock from \$250,000 to \$375,000 by a stock dividend and from \$375,000 to \$437,500 by the sale of new stock effective April 18. (Number of shares outstanding—17,500 shares, par value \$25.)

The United States National Bank of Omaha, Nebraska, announced the promotion of Dennis J. Cortney from Assistant Trust Officer to Trust Officer.

The common capital stock of The

Overland National Bank of Grand Island, Nebraska, was increased from \$150,000 to \$250,000 by a stock dividend and from \$250,000 to \$300,000 by the sale of new stock, effective April 21. (Number of shares outstanding—3,000 shares, par value \$100.)

By the sale of new stock the Curtis National Bank of Miami Springs, Florida, increased its common capital stock from \$500,000 to \$600,000, effective April 22. (Number of shares outstanding—60,000 shares, par value \$10.)

The Beach Bank, Jacksonville Beach, Florida, has converted into a national bank under title of First National Beach Bank, Jacksonville Beach, effective April 19.

First National Beach Bank, Jacksonville Beach, Florida, Jacksonville Beach, Duval County, Florida, was issued a charter. The President is Fred C. Allen and the Cashier is Treva Ann Moore. This is conversion of The Beach Bank, Jacksonville Beach, Florida, to take effect as of the close of business on April 18, 1960.

The Bank has a capital of \$225,000 and a surplus of \$270,198.

The National City Bank of Waco, Texas, increased its common capital stock from \$350,000 to \$450,000 by the sale of new stock effective April 22. (Number of shares outstanding—45,000 shares, par value \$10.)

By a stock dividend the common capital stock of The Lubbock National Bank, Lubbock, Texas, was increased from \$1,250,000 to \$1,500,000 effective April 20. (Number of shares outstanding—150,000 shares, par value \$10.)

The common capital stock of The Valley National Bank of Phoenix, Arizona, was increased from \$10,499,125 to \$11,199,065 by the sale of new stock effective April 22. (Number of shares outstanding—2,239,813 shares, par value \$5.)

The Bank of California, N. A., San Francisco, California, has received a certificate from the Comptroller of the Currency, representing formal approval for issuance of 256,930 shares of common capital stock, which were first offered to its shareholders at \$40 a share, on the basis of one share for each five held. The total issue, which was handled by an underwriting syndicate headed by Blyth & Co., Inc., added approximately \$10,277,000 to the bank's capital structure.

These additional funds have increased Bank of California's capital and surplus to \$40,000,000 which, together with its undivided profits account, brings the total capital funds to an amount in excess of \$53,000,000.

The approval for the issuance of the 256,930 shares of common capital stock at a special meeting of the shareholders was given in the April 7 issue of the "Chronicle" on page 1506.

Mrs. Catharine W. Johnston and Mrs. Dorothy K. Yamamoto were named Assistant Secretaries of Bank of Hawaii, Honolulu, Hawaii.

S. L. Descartes has been named Assistant Executive Vice-President of Banco Credito y Ahorro Ponceño, of Puerto Rico, it was announced.

With Hill Richards
(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, Calif.—William G. Kiefer has become affiliated with Hill Richards & Co., 621 South Spring Street, members of the Pacific Coast Stock Exchange. Mr. Kiefer was formerly with Morgan & Co. and Walston & Co., Inc.

PUBLIC UTILITY SECURITIES

BY OWEN ELY

Pacific Gas & Electric Company

Pacific Gas & Electric is now the country's largest electric and gas operating utility from the standpoint of assets, which total about \$2.4 billion (in revenues, however, Consolidated Edison is larger). The company supplies electric and gas service to a population of some 6,310,000 in northern and central California. Among the larger cities served are San Francisco, Oakland, Sacramento (gas), Berkeley, Richmond, San Jose, Fresno and Stockton.

California has been one of the most rapidly growing states and Pacific Gas & Electric revenues increased from \$204 million in 1948 to \$583 million in 1959, a gain of 185%. On a compounded annual basis revenues have shown an average gain of about 9% in the past five years, which compares with some of the Texas utilities. However, earnings per share have shown an average gain of only about 5% despite rate increases. The basic reasons appear to be rising fuel costs—California utilities are not allowed to use automatic adjustment clauses in their rate schedules—and a relatively low return on net property account. While the latter rose from 3.8% in 1949 to 5.4% in 1955 (according to Standard & Poor's) it has remained at or slightly below that level in later years.

Revenues in 1959 were about two-thirds electric and one-third gas, with a negligible amount of water and steam sales. Electric revenues were about 34% residential, 13% rural and irrigation, 18% commercial and 29% industrial. Gas revenues are 52% residential, 13% commercial, 4% firm industrial, and 31% interruptible and miscellaneous.

Electric output in 1959 far exceeded that of any previous year, but because of the dry year which reduced output from the company's own hydro plants and those of other producers from whom it buys power, only about 40% of output was hydro (including 6% purchased from other producers) and 60% was steam generated. The year's peak demand of 4,565,000 kw, which occurred Aug. 7, exceeded any previous peak by more than 500,000 kw but the margin of reserve capacity remained quite adequate. Total capacity was 1.9 million kw hydro and 3.3 million kw steam, or a total of 5.2 million kw. The average heat rate of steam plants was 11,345 btus per kw, although if converted to equivalent tons of coal heat the amount would have dropped to 10,555.

It was a poor year for gas sales in 1959—the same as in two earlier years; warm weather materially reduced sales for space-heating, resulting in an estimated reduction in revenues of \$16.5 million below normal. The recent heating season probably made a much better showing, although the report for the first quarter is not yet available.

To obtain more gas, the company has been working for over three years on a project to transport gas from the Province of Alberta in Canada to California. It is hoped that necessary authorizations will soon be obtained so that construction of the pipe line can get under way by the middle of this year (an FPC examiner has already approved the pipeline). The Canadian Energy Board has already authorized the export of this gas. At present about 71% of gas requirements are being obtained from outside the state, and 29% in California fields. The company paid an average of 28.5c per mcf for gas in 1959 compared

with 23.9c in 1955—an increase of 19% in four years.

The company is making rapid strides with automation and mechanization. A second IBM 705 computer has been acquired and at the end of 1959 about four-fifths of customers accounts were being handled by computers. By June remaining accounts will be converted.

Pacific Gas & Electric uses liberalized depreciation, the resultant tax savings being "normalized" in accrued taxes. The California Public Utilities Commission has recently decided that for rate-making purposes "flow through" of tax savings should be used, which would have the effect of increasing share earnings. While no decision has yet been reached, it is possible that the company may decide not to avail itself of liberalized depreciation in the future. Several other large utilities—Pacific Telephone, Pacific Lighting and San Diego Gas & Electric—are not using accelerated depreciation. Should Pacific Gas decide to follow this course current earnings would not be affected.

The company's capital structure is well balanced, including about 49% mortgage bonds, 16% preferred stock and 35% common stock equity.

While share earnings remained irregular during the period 1948-52, they increased steadily from \$2.30 in 1952 to \$3.74 in 1958, rate increases accounting for part of the gain. However, they declined slightly to \$3.70 in 1959, mainly due to a substantial decline in the credit for interest charged to construction, as well as continued warm weather.

In the report to stockholders for 1959 President Sutherland stated "looking at the year ahead, in the absence of any extraordinary increases in costs not now known to us and assuming more normal climatic conditions, we believe that our earnings will resume the upward trend experienced in the years immediately preceding 1959."

At the recent price around 62, based on the current dividend rate of \$2.60, the stock yields 4.2%. Dividends were about 30% tax-free in 1959, it is estimated.

Conlin V.P. of Blair & Co., Inc.

Blair & Co., Incorporated, 20 Broad Street, New York City, members of the New York Stock Exchange, have announced that John F. Conlin, Jr., an Exchange member, has become associated with their firm as a Vice-President and director. Allen B. DuMont, Jr., formerly an Exchange member, will continue with Blair & Co., Inc. as a Vice-President and director and will participate in the development of the new business.

Now Corporation

J. W. Scott & Company, Inc. has been formed with offices at 15 William Street, New York City to continue the investment business of J. W. Scott & Company.

Now Corporation

WILMINGTON, Del.—A corporation, Financial Planning Co., Inc., has been formed to continue the investment business of Financial Planning Co., 1512 Fresno Road. Officers are Alice S. Rhodes, President, and Joseph S. Rhodes, Secretary-Treasurer.

Current Problems in the Bond and Money Markets

Continued from page 3

therefore business will deteriorate for lack of financing.

(4) Federal Reserve policy has eased somewhat, and may be expected to ease further.

(5) The Treasury Department forecasts a \$4.2 billion budget surplus for fiscal 1961, and seems likely to operate with a cash surplus in the current calendar year.

(6) Fears of inflation are dead, because of domestic and foreign competition, and because of excess productive capacity.

(7) This is an election year. Congress will exert pressures for easier money and lower interest rates. These pressures will be greater if the Democrats win in November.

These are indeed impressive arguments, and at first glance it would appear that if all or even most of these things prove true, a forecast of declining interest rates trends based upon them would be completely sound. The question, however, is this: Even if all the points in the hypothesis are correct, do they necessarily lead to the conclusion?

For a test of the hypothesis, we have to go back no further than 1956, a fairly recent experience. The year is comparable because 1956 was, as is 1960, the second full year of the upward leg of a business cycle, and there can be no question than the upward forces in such a movement must be less strong than they were 12 months earlier. It was also, incidentally, an election year.

In 1956 all the conditions now assumed or forecast were present in actuality, as a retrospective examination shows. Nevertheless, the conclusion was in error, because interest rates did not go down. There were very wide swings in bill rates and bond prices—wide, that is, by comparison with those that had gone before, though quite moderate when measured against those that came after—but bill rates were about 65 basis points higher at the year-end than at the beginning, and long-term Treasury yields were about 45 basis points higher. Let us take the several points in order.

Compares Present Outlook With 1956

(1) In early 1956 most forecasts were highly tentative. Usually, a good first half was granted, but there were general doubts about the second. It was believed that the 1955 rate of recovery hardly could be duplicated in 1956. In particular, a declining rate of housing starts and of auto production and sales were forecast to follow the record peaks of the year before. Sentiment shifted between optimism and gloom several times during the year.

In fact, business did level off. The production index slipped a point in January, held in February, and was another point lower in March. For the year as a whole, it rose only three points between December, 1955, and December, 1956, which is about as close to a level as you can get. Trends in houses and autos were downward. Private housing starts totaled 1,094 million, down from 1,310 million. New car sales fell to a bit less than six million from the 7.4 million record in 1955.

This year, 1960, the rate of housing starts also has slipped, and disappointing sales have brought cutbacks in auto production and steel. Shifts in sentiment resembling those of 1956, however, also have appeared. Late March and early April auto sales have been encouraging, and the housing start rate may have firmed. In reporting a decline of

only one point in the production index from February to March, the *New York Times* noted that over-all March statistics have not been as bad as many had feared.

(2) The demand for funds did decline in 1956. Residential mortgage debt increased only \$10.8 billion as compared with the \$12.5 billion jump in 1955. Consumer installment debt rose only \$2.9 billion as against \$5.4 billion. New money issues of municipal bonds were about a half-billion smaller.

In the business sector also the requirements for outside financing declined. The need for money from external sources for all non-financial corporations surveyed came to only \$16.4 billion. This was \$7 billion, a quite considerable drop, below 1955. Although fixed capital investment (spending for plant and equipment) rose by \$5.7 billion, 93% of these outlays were covered by savings—that is, by retained earnings, depreciation allowances, etc. This is about average for many years past. The vast bulk of new capital investment by business firms is always supplied by internal savings.

There is a tendency today to relate the recent high level of cash flow in business corporations to projected outlays for plant and equipment, and to conclude that because the former is so high there will be little need for corporations to borrow from banks or to issue new bonds. The point is of considerable importance, and I think a little closer examination of 1956 results is justified. They well may be repeated in 1960.

The estimates of the sources and uses of corporate funds prepared by the Department of Commerce consider an increase in Federal tax liability as a source of funds, and, on the other side, an increase in government securities held is treated as a use of funds. Obviously, these figures can be either positive or negative. When tax liabilities are being reduced, for instance, this source of funds becomes a use; similarly, when government securities holdings are being reduced, this use of funds becomes a source.

This is precisely what happened in 1956. Tax liabilities rose (that is, accruals exceeded actual payments) by \$3.8 billion in 1955. In 1956, however, payments exceeded accruals, and tax liabilities were reduced by \$1.7 billion. What was a source of funds became a use, and the total swing amounted to \$5.5 billion. On the other hand, government securities holdings, which had risen by \$3.8 billion in 1955, were reduced by \$4.5 billion in 1956. From net buyers, as a group, the corporations became net sellers, and the difference amounted to \$8.3 billion.

The swing in government holdings alone more than accounted for the \$7 billion reduction in total uses of corporate funds in 1956, and the swing in Federal tax liability was the largest single element reducing total funds obtained from external sources. Net new bond issues were only about \$0.5 billion higher; bank loans, mortgage debt, and other items only slightly changed.

(3) In 1955 all commercial banks increased their total loans by \$12.0 billion, and to do this they reduced their government securities holdings by \$7.4 billion. In 1956 new loans were sharply lower; the loan total went up only \$7.7 billion, and the banks sold only \$3.0 billion of governments. So this expectation also proved well founded.

I think this, or something very much like it, is probable in 1960 also. Total loans in commercial banks rose about \$13.8 billion during 1959, and the banks sold

nearly \$7.8 billion governments. Both these figures are likely to be smaller in 1960.

(4) As to Federal Reserve policy, this underwent several modifications during 1956, just as did general opinion on business conditions and prospects. As measured by the level of net borrowed reserves, the most practically available single index to policy, the shifts were marked by wide swings—much wider even than those seen so far this year. On the whole, however, the peak of restraint was reached in the spring, and reserve positions tended to become easier to the year-end.

Especially in view of the small growth in money supply last year, something similar in the way of relaxation of restraint (with large and frequent swings) may appear in this year 1960. Two factors caution against expecting too much in this direction, however. One is the quite enormous growth in recent years of other liquid assets which are excluded from the standard definition of money supply but are easily and quickly convertible into money; the other is our international balance of payments problem and the very high level of short-term liabilities to foreigners.

(5) The Treasury surplus. On a cash basis, the surplus for calendar 1956 was \$5.5 billion. This resulted from a very large surplus—\$11.5 billion—in the first half, and a \$6.0 billion deficit in the second. The first half surplus was so large that the Treasury was able not only to take care of tax anticipation maturities comfortably, but to retire other debt as well, and besides that, to add substantially to the cash balance.

This year, 1960, the guess is for an \$8.0 billion cash surplus in the first half—just enough to cover tax anticipation issues—and a deficit of perhaps \$3 billion in the second half. Obviously the Treasury's position cannot be as important a factor quantitatively this year as it was in 1956. The forecast of a \$4.2 billion budget surplus, made early in January, has been credited with a large part in stimulating the bond market rally. My impression has been that this reaction was for the most part psychological. In the first place, the surplus may or may not actually appear; in the second place, even if it does, it can have no real effect until the period January-June, 1961, which is almost a year away.

(6) As 1956 began, inflation was quiescent. Both wholesale and consumer price indexes had been relatively unchanged for a couple of years, but soon afterward they began a rather pronounced rise. On average for the year as a whole, the wholesale index moved from 110.7 to 114.3, and the consumer index from 114.5 to 116.2.

Despite reassuring statements from high authorities that both inflation and the fear of it are dead, I remain doubtful because the whole philosophy of the welfare state is against any such optimism.

(7) As to the political pressures in an election year, there is no evidence that, if exerted, they had any effect in 1956. As noted above, there was visible some relaxation of restraint as measured by net borrowed reserves, but there is no evidence that this resulted from Federal Reserve capitulation to pressures. And in any case, as also has been noted, money did not become cheaper.

I have no doubt, however, that expectations of easier money as November approached did have a part in some of the rallying movements that took place during the year. I should not be surprised if the same thing happened this year.

Questions

I do not want to leave the impression that in all things the year 1960 will be precisely identical with the experience of 1956. There are of course, a number of important differences. But if there

is any validity in the demonstration we have just gone through, it is this: The points in the argument now leading to the conclusion that we should have a bullish bond market in 1960 are the same points that were made in 1956. All of them turned out to be correct, but the conclusion was wrong. Is there any more ground for confidence that the result will be different this time?

You may say with some justice that the approach I have taken to the problems of the bond market in 1960 is negative, whereas it should be positive, or constructive. The negative side in a debate is always unpopular, no matter how efficiently the debator refutes the arguments of the other side. Yet I submit there is nevertheless a constructive side to all this. It is to emphasize the value of skepticism, and of the refusal

to allow our judgments to be led astray by hopes and optimism which may be unfounded.

*An address by Mr. Van Cleave before the 67th Annual meeting of the Savings Banks Association of the State of New York, New York City, April 28, 1960.

Form Newton, Osborne

DETROIT, Mich. — Newton, Osborne and Reynolds, Inc. has been formed with offices in the David Stott Building to engage in a securities business. Officers are Roland A. Bengt, President; M. Glenn Grossman, Secretary-Treasurer; and Louis I. Shaer, Vice-President.

Nelson Securities Opens

BROOKLYN, N. Y. — Nelson Securities, Inc. has been formed with offices at 1138 East 104th St. to engage in a securities business.

Highlights of Progress in THE CENTER OF INDUSTRIAL AMERICA



Here are highlights from the 1959 annual report of Ohio Edison Company and its subsidiary, Pennsylvania Power Company, on a consolidated basis:

Earnings per Common Share	\$ 3.96
Operating Revenue	\$ 150,798,000
Kilowatt-Hours of Electricity Sold	8,303,000,000
Electric Customers Served	665,220
Operating Expenses	\$ 77,429,000
Provision for Taxes	\$ 39,142,000
Net Income, after Preferred Dividends	\$ 25,287,000
Expenditures for Property Additions and Improvements	\$ 56,119,300
New Generating Capacity Added (kilowatts)	170,000

During the year Ohio Edison placed in service the first of four 170,000-kilowatt steam-electric generating units at a new power plant located at Stratton, Ohio, on the Ohio River. Units 2, 3 and 4 are scheduled to go into operation in the summers of 1960, 1961 and 1962, respectively.

In 1959 fourteen nationally known industrial concerns announced their intentions to build new plants or make additions to existing plants in the territory. Each involves expenditures of \$1,000,000 or more for construction and equipment. The total for the five-year period, 1955-1959, amounts to 77 and involves estimated expenditures of \$709,000,000.

For a copy of the annual report write L. I. Wells, Secretary of the Company.

Ohio Edison Co.

General Offices • Akron 8, Ohio

AS WE SEE IT Continued from page 1

meet, but that the market place is not permitted to function normally. All too often the final result is about what would be expected from "bargaining" between a man with a gun and one without one. We have permitted, nay encouraged, wage earners to organize themselves into giant monopolies and to arrange cooperation between and among these monopolies. Another difficulty is that at least since the rise of the New Deal, we have permitted ourselves to be carried away by the notion that higher and ever higher wages and shorter and ever shorter hours—to say nothing of endless working restrictions which are a burden to us all—are somehow to be regarded as a stabilizing influence, and indeed a stimulation to greater growth. Where such ideas have run into trouble in competition with foreign labor not so pampered, we have found various ways to free ourselves of such restrictive influences—or think we have.

To be sure, it would be a good thing if all wage earners always remembered in fact as well as theory that, as the Secretary of Labor recently put it, "management can not manage or exist without the ability . . . to meet competitive challenges," that is to say, employers can not long remain employers without profits adequate to pay wages and provide reasonable profits in the face of whatever competition is present. But what labor leader for one moment denies it? The broad principle is obvious and generally accepted. The trouble comes in the application of it to any given situation. Management would doubtless concede that industry must be as efficient as may be in order to deserve continued life, but it is aware (as labor will not always concede) that definite limits exist and those limits are greatly reduced by working restrictions and other demands often made by the labor unions. The conflict arises out of the interpretation of such generalities to any particular situation at issue.

Much Is Involved

We sometimes wonder if the President realizes what broad issues may well be involved and often are involved in many current labor controversies—or would be if conferees went really to the bottom of the situation out of which their controversies arise. The President's own Secretary of Labor, possibly without realizing it the other day, gave clear evidence of what a wide variety of matters may be, in fact, involved. He thinks that the type of conferences that he and the President are now promoting would be quite useful in the railroad industry which is now a field of labor difficulty, and he has this to say about that situation: "The government subsidizes the building of ships and the losses of American flag lines. It deepens and develops inland waterways. It subsidizes airlines through the construction of terminals and the carrying of mail. It has subsidized truckers through building public roads. The railroads remain the great unsubsidized portion of the American transportation system.

"I suggest that we seek gradual elimination of all government subsidies in transportation in America and consider the introduction of user charges so that each mode of transportation carries its fair share of the burden of public expenditures from which they now profit unequally."

Of course, all these matters are directly or indirectly in one degree or another involved in any determination of how much the railroad companies can pay their employers and still stay in business, but we should doubt whether any conferences of railroad managements and railroad labor would or could be expected to do very much about any of them. In point of fact, any effort on the part of railroad labor to do anything about them would quickly bring protests from other labor union groups which now fatten on such subsidies. Nor are these by any means all the difficulties by which the railroads of the country are faced. They more than any other industry pay through the nose for the featherbedding practices in their labor contracts. Yet the Secretary calmly says that workmen "have something akin to a property right" in work procedures and customs, which have been followed for many years past—all but word for word the claim of the railroad unions which depend more upon featherbed practices than any other unions in this country and, so far as we know, in any other country the world over.

Not Only Strikes

Apparently, it is the long and costly strikes that are the main target of this conference proposal. These are costly enough in all conscience; but they are not the only economic evil that lurks in labor relations in this country. The steadily rising labor costs of production, which huge expenditures of funds in labor saving equipment has not

been able to do more than hold within certain limits, are probably more serious than all the strikes. But neither the strikes nor the excessive rise in labor costs are likely to yield to mere conferences among business and labor leaders. Much more fundamental treatment is essential and—let this be noted well—that treatment must in many cases come from government itself and include withdrawal of immunities and a cessation of popular support of the unions in their aggressive march toward a larger and larger share of current output regardless of the welfare of the consumer.

Business and Interest Rate Trends This Year and Next

Continued from page 9
of a boom in autos this year augurs well for 1961.

Government and Exports

This brings us to the two final areas of the economy—government and foreign trade. Government expenditures have leveled out in the past year. Federal expenditures promise to remain level, and with receipts rising, the President's estimate of a \$4 billion budget surplus in fiscal 1961 should be close to the mark. State and local expenditures should rise a bit, but not by as much as in the 1955-58 period. Thus, the government sector will make no more than a modest contribution to expansion in the economy.

Our exports have turned up in good fashion while imports have leveled out. Thus we are making progress in bringing our international financial accounts into balance. However, it remains to be seen whether exports will increase rapidly enough to shrink the deficit in our balance of payments to manageable proportions. It is clear that we can no longer afford the luxury of ignoring the impact of domestic economic policies on our balance of international payments.

Adding Up the Outlook

When all these trends are added up, the result is a good year for business. Over-all activity may hold relatively level in the next few months. But we should see a moderate advance later in the year as business expenditures for new plant and equipment move ahead. Gross national product should average about \$515 billion. Averages can, of course, be deceptive, as is shown by the story of the fellow who had his head in the furnace and his feet in the deep freeze, but on the average he felt fine. This average for 1960 conceals an upward trend from an annual rate of gross national product of \$500 billion in the first quarter to perhaps \$520 to \$525 billion in the fourth quarter.

While this would constitute a good showing, it would mean that 1960 output would fall some 4 to 5% short of the nation's potential. In other words, we have the manpower and the plant capacity to turn out some \$535 to \$540 billion of goods and services this year instead of the \$515 billion that now appears likely. This means that unemployment may hold at around 4 million, or nearly 5% of the labor force. That figure will be viewed with great alarm by the politicians—the best definition of full employment I have heard is that it is the amount of unemployment that will not provoke an inconvenient restlessness on the part of the electorate.

However, the lack of pressure on the economy implied in this forecast of a \$515 billion GNP for 1960 has its favorable aspects. It points to very little inflationary pressure. Moreover, it may help make 1961 a better year.

On the postwar business cycle pattern, one would look for an-

other business recession starting sometime in 1961. However, this postwar pattern involved a rapid run-up in inventories and a rapid expansion in plant capacity. Moderation in these areas in 1960 could well prolong the expansion phase. At this juncture, however, such talk is little more than speculation—one must see what happens in the months ahead before talking in any specific terms about the timing of the next recession.

Money Market Trends

What does all this mean precisely for the course of interest rates in the year ahead? To answer this with great precision is to promise more than an economist can hope to deliver. The turbulence in money markets since early January shows how abruptly sentiment can change and illustrates the problems forecasters have to contend with.

The easing in money markets earlier in the year reflected four main factors: the change in sentiment I discussed earlier; the swing in the Treasury position from deficit to surplus; a record corporate cash flow; and a moderate move towards ease by the Federal Reserve. Of these factors, the shift in sentiment and the unexpectedly large corporate cash flow seem, in retrospect, to have been the most important. As we move through 1960, corporations will have to use funds to pay for inventories, plant and equipment and to carry receivables. Instead of supplying funds to the market, they will, at some point, shift to the other side.

Despite much comment to the contrary, I doubt that the Federal Reserve has really shifted to the side of ease. To be sure, the degree of pressure has been relaxed a bit. But banks still have net borrowed reserves, and thus remain under pressure. My personal expectation would be that the Fed wants to increase the money supply moderately, and is trying to do it while keeping a tight rein on money and credit. This is a tricky operation, and I wish them great success, for I believe we need an increase in the money supply to support good business this year and next.

Once business is moving ahead again, I would expect the Fed to lean in the direction of tightness, and I would expect the demands for funds to exceed the supply available from the economy's savings. Thus, I believe the recent turn-around in short-term interest rates reflects these fundamental forces. While further turbulence may be encountered in money markets, the general trend will be towards higher rates. Rates may not exceed their previous highs—the shift in sentiment away from inflation means a lower rate structure. But I cannot see how we can have good business without pressure on interest rates.

This talk about interest rates reminds me of the story about the three students who agreed to meet at their 20th reunion and compare

notes on their careers. The first two to arrive at the reunion had in the interim become famous economists, and they speculated as to the progress of the career of the missing member, George, who had been an extremely indifferent student of economics. At that point a large limousine drew up and the chauffeur opened the door to reveal old George. After the inevitable preliminary greetings, the two economists put upon George to learn the source of his affluence. He said:

"As you will remember, I was never very good at economics. So I decided to take one small part of that great science and learn everything I could about it. I selected the subject of interest rates, and read everything that had been written. Then I left The University and found a gadget I could make for \$1.00 and sell for \$5.00. And you know—that 4% interest has done wonders for me!"

*An address by Dr. Butler before the Institute of Investment Banking, Wharton School of Finance, University of Pennsylvania, Philadelphia, Pa., April 15, 1960.

Free and Open Market Proposed For Silver

Senator Green says that if it is true that consumption of silver exceeds production than the silver producers should join him in his perennial effort to repeal our country's Silver Purchase Laws. The Senator also attacks the monetary unsoundness of our silver laws which he says constitute a huge subsidy for silver producers.

Senator Theodore Francis Green, Hon. Senator John O. Pastore, Senator Prescott Bush and Senator Thomas J. Dodd in the upper chamber (S 3410), and Representative Edgar W. Hiestand in the lower chamber (HR 11744) of Congress have authored an identical bill to repeal the Silver Purchase Laws.

In introducing the Senate bill last April 25, Senator Green said:

In 1942, I introduced in the Senate the so-called Green Silver Bill which, because of the strenuous opposition of the so-called Silver Bloc, failed of passage. In 1943, however, I again introduced the bill and, after a long and hard fight, it was enacted into law. It has been said many times that this measure saved the silver and jewelry industries of New England.

The Silver Purchase Act was passed in 1934 and, it will be recalled that after the passage of this Act, the price of American silver continually rose. In the opinion of most unprejudiced economists, the silver-buying policy of the government has proved to be the most atrocious example of special-privilege furthered by law to be found in American history. This, together with the other silver laws which have been passed by the Congress have fastened upon the United States Treasury the payment of huge subsidies to the American producers of silver and today the government vaults at West Point are bulging with thousands of tons of silver for which the United States Government has paid more than the market price.

Ending Unsound Monetary Policies

This bill which I am introducing today would end these unsound monetary practices. It would end the support prices to producers of silver and permit a free and open market for silver. It would repeal a requirement in law that the Treasury must value monetized silver at \$1.29 an ounce although its only real value is the

market price — currently 91% cents an ounce.

It has been said that the silver paper dollar is the only money 100% backed by the metal it represents. This is meaningless. The value of the backing is what matters and this depends on the market price for silver. An unguaranteed value of 70 cents for a paper dollar is not 100% backing.

Although the Silver Purchase Laws were originally passed under the guise of being necessary to our monetary system, this myth has long since been exploded. The production of silver in this country is largely a by-product in the production of copper, lead and zinc. No one can say today that the copper producers need a higher price for silver in order to operate profitably. In fact, when hearings were held in the last session of Congress on the state of the mining industry, the copper producers were conspicuous by their absence.

Recently, a President of a silver mining company pointed out that the policy expressed in the Silver Purchase Act of 1934 is not being fulfilled. There are very good reasons for this fact. In the first place, this policy would require the purchase of 1.6 billion ounces of silver from foreign sources. In the second place, there is not that much silver available at any price. Finally, the Secretary of the Treasury is to carry out this policy only when he deems it reasonable and most advantageous to the public interest. This silver would be paid for in gold and would result in a drain on our gold reserves of probably \$2 billion. It would disrupt the subsidiary coinage system of every nation in the world which uses silver. It is pertinent to point out that any increase in the price of silver brought about by governmental action would result in a profit going largely to foreign producers.

Solving Silver Scarcity Argument

There has been a great deal of talk in the last year about consumption of silver far surpassing production. The figures which are given to support this assumption are tailored to suit the particular case. If the producers of silver believe their own contentions, they should join forces with those behind the bill and quickly repeal the Silver Purchase Laws.

In this session of the Congress I trust that the Senate Committee on Banking and Currency, to which this bill should be referred, will hold hearings on the measure so that the views of all concerned — especially those of the Administration — can be publicly heard, and so that after such hearings, the bill will be reported to the Senate for further action.

RUSSELL CLEVINGER

Russell R. Clevenger, Vice-President of Albert Frank-Guenther Law, Inc., New York advertising agency, passed away May 3rd at the age of 60. He had been visiting his son Russell H. Clevenger in Los Angeles.

Mr. Clevenger joined Albert Frank-Guenther Law in 1927 having previously been a reporter in the financial news department of the New York Times for five years. He was made a Vice-President of the agency in 1935. He left Albert Frank-Guenther Law in 1943 and was later associated with Broadcast Music, Inc., N. W. Ayer & Son, Inc., the New York Stock Exchange, with the U. S. Treasury, and with the Federal Communications Commission. He rejoined Albert Frank-Guenther Law, Inc. in 1950, becoming a Vice-President in 1952.

Sy Leavitt Branch

BEVERLY HILLS, Calif. — Sy Leavitt & Company has opened a branch office at 328 South Beverly Drive.

SECURITY SALESMAN'S CORNER

BY JOHN DUTTON

The Human Equation

"Some people are buyers and some are lookers." That's what my father told me many years ago. He was the proprietor of a small town store in the days when the farmers used to drive their wagons to the village and tie the horses at a hitching rail that stretched the entire two blocks of the shopping area. It's surprising how many things I learned as a boy working in that store have been useful in later life. This is especially true in evaluating the quirks in human nature that seem to be as predictable in some respects when it comes to selling securities as it was in dealing with my father's customers in that country store.

People don't change much in the bulk. There are doers, procrastinators, complainers; the brave ones and the timid. Some are deliberate and purposeful, others vacillate. Some have a plan for their lives and their business, others act first and regret later. With all of these types of people, as well as many other categories, must the security salesman deal with. He is handling the most sensitive part of their anatomy — their pocketbook and their ego. There is a lot of emotionalism behind some people's investments in securities and much of it is based upon their seeking for status. All of these factors enter into decision making and the successful security salesman must evaluate the motivations behind many a move that is made by some of his customers. This is still a cracker barrel world in many respects.

This Fellow Meant It

About three months ago I followed a lead that came into our office from some advertising. As the contact developed by mail and phone, which included a portfolio analysis, I finally developed a sell order from this new account for several hundred shares of a speculative stock which represented only a part of the client's position in this situation. No sooner was the order executed, and I was about to report the trade, than my phone rang and the customer asked me if I could cancel his sell order. I replied that it had just been reported to me that his stock was sold. The customer then said that it would, of course, be alright with him; a trade was a trade, and he would stick to his word and deliver. I asked him the reason he wanted to cancel the trade and he told me that he had made an error in calculating the date on which he should sell this holding.

He had a sizable profit in the commitment and he thought that it was a long-term holding, but that he had made a mistake, and the six months holding period would not have been established until one more day had transpired. I suggested that we try and cancel the transaction and he was very appreciative of the suggestion. Through the efforts of our trading department (this was an unlisted stock), and the cooperation of the dealer firm that had bought the stock from us, an amicable agreement to cancel the trade was established. (There was an honest error on the part of the seller and our firm as well as the other broker involved co-operated with the customer.) No harm was done. The transaction was nullified almost within a few minutes of the time it was first concluded.

This customer was happy to

learn that we could cooperate with him. Changing the sale date just one day created a substantial saving to him in anticipated taxes on his profit. He promised to show his appreciation, which he has done by placing considerable business with me since this trade was made. Here was a man who was grateful for some extra help and service. He said thank you in the most concrete manner — he has been giving us considerably more business than I expected to receive from this account. This man was a buyer and he meant what he said.

There Are Lookers Too

I got the idea for this column the other evening when I attended a social affair and I met a man who told me six months ago he was going to do some business with me. He came over to me rather sheepishly and said, "Hello, Dutton, I haven't forgotten you, I still am going to get around to calling you someday and do some business with you." I told him that would be fine, asked how he was feeling and inquired about his wife's health. Then I proceeded to forget the incident.

Six months ago this man called at my office, he told me a long story about his real estate holdings and his investments in securities. Then he said he wanted some suggestions for investment and I remember I prepared a substantial list of suitable securities as well as a review of his portfolio. At the time I had my doubts about his sincerity because I detected a tendency to talk a lot about what he had done and expected to do. He looked like a looker.

Don't misunderstand my premise—I believe that every person that asks for service, or advice, and shows an interest in investing should be afforded a courteous hearing. My small town, store-keeping, father never showed discourtesy to anyone that came into his place of business — he just winnowed the wheat from the chaff.

Summer Course In Inv. Banking

WASHINGTON, D. C. — Fundamentals of Investment Banking, a course for investment banking trainees, will be offered for the second time on a concentrated four-week classroom basis this summer on the Evanston Campus of Northwestern University, July 10 to Aug. 5, announced James J. Lee, Partner, W. E. Hutton & Co., New York, President of the Investment Bankers Association of America. This course is sponsored by the IBA Education Committee in cooperation with the School of Business, Northwestern University, and the Education Committee, Central States Group of the IBA.

The course was inaugurated by the Association in 1946 and offered regionally by IBA Groups in cooperation with many universities throughout the country for local registrants. Since 1951 the course has also been available on a home-study basis through the University of Chicago. At least once each year since 1946, the Central States Group of the IBA has offered this program as a seventeen-week course in cooperation with Northwestern University. Now, through this concentrated summer offering, the course is made available to trainees from all over the country.

Fundamentals of Investment Banking is designed to give investment banking trainees an intensive basic indoctrination so that they may become integrated into the business much more rapidly. The following topics are covered:

- Economics of Investment Banking.
- How to Read Financial Statements and Corporate Reports.
- The Instruments of Investment Banking.
- Basic Concepts of Investment Yield.
- Special Financial Problems of the Corporation.
- Analysis of Major Classes of Securities.
- Marketing of Securities.
- Investment Policies and Programs.

In addition, various supplementary addresses will be given by prominent investment bankers on these specialized aspects: U. S. Government Securities; Municipal Financing; Securities Merchandising; Securities Salesmanship; Securities Analysis; Institutional Investment Policies; and others.

This summer program, according to Robert O. Shepard, President, Prescott, Shepard and Co., Inc., Cleveland, and Chairman of

the IBA Education Committee, will be taught by: Professors Bion B. Howard, Harold W. Torgerson and Harry G. Guthmann of the Finance Department, Northwestern University; Professor Donald M. Halley, Tulane University; and other members of the Northwestern faculty. Satisfactory completion of this course is accepted by the New York Stock Exchange in partial satisfaction of the requirements necessary to qualify as a registered representative.

The course is offered for sales or office personnel, both men and women. Trainees will be housed, have meals and attend classes in a modern dormitory. Enrollment will be limited to 65 trainees. The tuition of \$475 for each registrant covers all costs—instruction, room, meals, text materials and notebooks.

Applications for the course should be sent to the IBA Washington office. An announcement folder and additional information about the course may be obtained from: Erwin W. Boehmler, Educational Director Investment Bankers Association of America, 425 Thirteenth Street, N. W., Washington 4, D. C.

While this course is designed to serve employees of IBA members, others will be admitted if facilities permit.

Almstedt Bros. 75th Anniversary

LOUISVILLE, Ky. — Almstedt Brothers, 425 West Market Street, members of the New York Stock Exchange, is celebrating the 75th Anniversary of its founding in 1885, by Frederick H. and William E. Almstedt. The business was continued by Frederick Almstedt after the death of his brothers, and is now being conducted by his four sons, Fred L. Almstedt, Arthur H. Almstedt, Richard H. Almstedt, and William C. Almstedt, and James R. Burkholder who became a partner in 1936.

George Baker Branch

OAK PARK, Ill. — George M. Baker & Co. has opened a branch office at 3 West Madison Street under the management of Michael J. Riordan.

Form Reimer Co.

Reimer & Co. has been formed with offices at 52 Wall Street, New York City to engage in a securities business. Partners are Otto B. Reimer and William M. LeFevre. Mr. Reimer, a member of the New York Stock Exchange, was formerly active as an individual floor broker.

Newport News Shipbuilding and Dry Dock Company

Quarterly Statement of Billings, Estimated Unbilled Balance of Major Contracts and Number of Employees

	Three Fiscal Months Ended	
	March 28, 1960	March 30, 1959
Billings during the period from shipbuilding, ship conversions and repairs, hydraulic turbines and other work	\$ 38,206,455	\$ 41,838,063
Estimated balance of major contracts unbilled at the close of the period	\$300,975,906	\$315,753,882
Equivalent number of employees, on a 40-hour basis, working during the last week of the period	15,673	12,823

The Company reports income from long-term shipbuilding contracts on the percentage-of-completion basis; such income for any period will therefore vary from the billings on the contracts. Contract billings and estimated unbilled balances are subject to possible adjustments resulting from statutory and contractual provisions.

By Order of the Board of Directors
R. I. FLETCHER, Financial Vice President

April 27, 1960

In Attendance at Texas IBA Group Meeting

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Record Offering Of F.H.L.B. Notes

The largest offering of notes in the history of the Federal Home Loan Banks was made on May 3 with the sale of \$351,000,000 principal amount of 4½% non-callable, consolidated notes dated May 16, 1960 and due Feb. 15, 1961. The notes are priced at 100%. The offering is being made by the Federal Home Loan Board through Everett Smith, Fiscal Agent of the Home Loan Banks, and a nation-wide selling group of security dealers.

Part of the net proceeds from the financing will be applied to retirement of \$240,000,000 principal amount of 5½% notes when they mature on May 16, 1960. The balance of the proceeds will provide additional funds to member institutions of the Home Loan Bank System to meet a prevailing seasonal increase in the demand for home building mortgage money attendant upon the advent of better construction weather throughout the country.

Mr. Smith said that the Home Loan Banks effected a record reduction in note indebtedness during the first four months of 1960. During the period the Banks paid off \$693,000,000 of notes without refunding, a reduction of 39% from indebtedness outstanding at the end of 1959.

Retirement of debt from cash resources is normal during the earlier months of the year because the inflow of cash into the Banks is substantial with the repayment to the Banks of loans made to member institutions and because mortgage loans are seasonally smaller during the winter, Mr. Smith said.

Outstanding indebtedness of the Banks will amount to \$1,189,240,000 upon issuance of the notes offered May 3 and retirement of the May 16, 1960 note maturity.

H. N. Whitney, Goadby Bowling League Champion

H. N. Whitney, Goadby & Company tied Harris-Upham & Company's Team and won the Wall Street Bowling League Championship by defeating their opponents in a three game "play off" Friday evening April 29, at Bowlmor Recreation Alleys.

The Wall Street Bowling League will close the 1959/60 season with a Dinner Dance to be held at the Park Sheraton Hotel on Saturday, May 14.

Atlas Opens Branch

RAWLINS, Wyo.—Atlas Securities Company has opened a branch office at 213 Fourth Street under the management of David T. Helwig. Mr. Helwig was formerly local manager for Andersen, Randolph & Co., Inc.

Joins York & Co.

(Special to THE FINANCIAL CHRONICLE)
SAN FRANCISCO, Calif.—A. Lyle Eppler has become affiliated with York & Co., 235 Montgomery St., members of the Pacific Coast Stock Exchange.

BANK AND INSURANCE STOCKS

BY LEO I. BURRINGTON

This Week — Bank Stocks

FIRSTAMERICA CORPORATION

Largest of the nation's bank holding companies, Firstamerica's group of 24 banks with over 421 offices are spread throughout the 11 Western States, the country's most dynamic growth area. These independently operated banks have the advantage of tapping the specialized resources of their majority stockholder, Firstamerica. Such resources cover counsel and assistance on investment, operational and credit matters. In turn such matters as investments in fixed assets, additional capital, and dividend payments are cleared through Firstamerica.

Incorporated in Delaware during September, 1957, Firstamerica commenced business on July 1, 1958, when it acquired from Transamerica Corporation all of Transamerica's directly held shares in majority-owned banks and \$20 million in cash. All of Firstamerica's capital stock, 11,372,022 shares of \$2 par value, was distributed to the holders of Transamerica. No corporate con-

nection presently exists between Firstamerica and Transamerica.

Additional shares were issued in March, 1959 in exchange for the stock of California Bank of Los Angeles on a basis of 3½ shares of Firstamerica for each share of California Bank. Also, the head office of Firstamerica was moved from San Francisco to Los Angeles. The California Bank acquisition received State approval in California and was approved by the Federal Reserve Board in January, 1959. Stockholders of the two banks later added their approval. The Reserve Board, by a 5 to 1 vote, ruled the proposed consolidation would not injure banking competition on the West Coast because of the "remaining relatively large number of alternative sources of banking services." Metropolitan Los Angeles was considered the main area of competition involved and the Board pointed out offices and deposits under Firstamerica control would amount only to 16.3% and 15.3% respectively in the area.

FIRSTAMERICA CORPORATION AND LEADING SUBSIDIARY BANKS

	Deposits* 12/31/59	Percent Gain†	Loans* 12/31/59	Percent Gain†	Percent Gain Oper. Earn. 1959†	Total Shares Outstanding	Percent Owned by Firstamerica
California Bank.....	\$1,196	7.6	\$636.6	29.2	29.2	2,195,284	97.49
First Western.....	1,062	9.3	571.8	13.2	20.1	2,222,942	73.86
First National Oregon.....	879	3.5	489.0	14.4	13.6	1,605,000	65.71
First National Arizona.....	329	12.0	195.7	32.4	18.5	1,014,300	71.11
First National Nevada.....	269	8.7	132.7	26.2	46.5	509,030	96.02
Walker Bank, Utah.....	199	10.3	91.0	9.2	18.6	189,468	90.55
National Bk. of Wash.....	175	-1.1	104.6	7.7	17.0	448,005	52.07
FIRSTAMERICA CORP.	\$4,581	6.8	\$2,479.0	19.4	20.6	16,716,757	

*In millions of dollars. †Over 1958.

The U. S. Justice Department, on March 30, 1959, filed suit alleging that the acquisition of California and the proposed later merger of this bank with First Western Bank & Trust Company of San Francisco, Firstamerica's other California subsidiary, were in violation of the antitrust laws. Firstamerica has agreed not to go ahead with the merger of California Bank with First Western pending adjudication of the U. S. Justice Department complaint. The U. S. Supreme Court, in January of this year, refused to grant permission to Firstamerica to file a petition for a writ of review of its efforts to get dismissal of the civil antitrust suit filed against it. The next move in the antitrust action will be to try the case on its merits in a lower court. To guess the outcome would be meaningless at this time. It might be pointed out nonetheless that the proposed combination would tend to increase competition in California since it would provide the first major state-wide competition for Bank of America.

The territory encompassed by operations is unmatched by any other banking system in the United States, covering an area of approximately 40% of the continental U. S. Firstamerica represents a unique investment in so many states. This point largely may explain the widely distributed stockholders of Firstamerica throughout this country and abroad, together with the investor advantage of stock listing on the New York Stock Exchange. The system ranks fourth among the U. S. banking institutions with resources exceeding \$5 billion, and is second only to Bank of America in the number of branches operated.

Firstamerica's family of banks included the seven leading banks listed, all of which are among the top 300 commercial banks of the nation, and the Bank of Nevada (Las Vegas), Southern Arizona

Bank and Trust Company (Tucson), the Bank of Idaho (Boise), five banks in New Mexico, and three banks each in Colorado, Montana, and Wyoming. Subsidiary banks opened 20 new branches during 1959 and several new offices are planned during 1960, including three by California bank and at least four by First Western.

On a combined basis, Firstamerica's first full year of operation in 1959 was an outstanding one with operating results well above commercial banking generally. On the average number of shares outstanding per share earnings were \$1.64, and on an adjusted basis for year end capitalization they were \$1.51 a share. For 1960 earnings are likely to approach the \$1.80 a share level. The annual dividend rate of \$0.80 is likely to be increased during the year or be supplemented by a stock dividend. Since listing in the latter part of 1958 the price of the stock has climbed from 15 to 32. At the present price of 26, a yield of 3.1% is obtained.

During 1959 both demand and time deposits registered a healthy increase; demand deposits accounted for approximately 60% of total deposits. With sizable savings deposits, real estate loans dominate as the largest single class, followed by commercial and retail loans. Book value approximates \$16 a share. For the first quarter of 1960 consolidated net operating earnings were \$0.42 on 16.7 million shares, compared with \$0.39 on only 11.5 million shares outstanding at the end of March 31, 1959.

Most of the \$20 million cash received in 1958 was invested in 30 listed common stocks with public utility issues well represented. In the case of a holding company, only 15% of income from dividends is taxable at 54% under Federal income tax regulations, whereas Federal bonds or other interest-bearing obligations are fully taxable.

The West will have more than its share of population growth in the foreseeable future, and deposits of western banks will grow even more rapidly. Firstamerica banks are expected to earn a growing share of the indicated rise in deposits.

The expanding economies of the Western states, good marketability of this listed bank stock, the greatly strengthened managements of several of the subsidiary banks, the strong financial position and excellent earnings potential prospects are cogent factors underlying Firstamerica stock as a sound investment for approximately 120,000 registered stockholders and for others who wish to participate in the dynamic growth prospects of the wide territory served.

Sutro Bros. Co. Opens New Office

Establishment of headquarters in the newly constructed 80 Pine Street Building by the New York Stock Exchange firm of Sutro Bros. & Co. was highlighted by the transfer by armored trucks of some \$150,000,000 in customers' securities from the vaults of the Marine Midland Trust Company in 120 Broadway, to Sutro's own Mosler vaults in its new offices.

Since the armored vehicles used in the transfer carry a maximum insurance of \$10,000,000 each, fifteen trips were necessary to complete the transfer.

Sutro Bros. & Co. is the first tenant to move into this latest downtown structure.

Form Wilder, Hansbrough, Finch Co.

MEMPHIS, Tenn.—Wilder, Hansbrough, Finch & Co. has been formed with offices in the du Pont Building to engage in a securities business. Officers are Gordon J. Wilder, President; M. T. Hansbrough and John E. Finch, Vice-Presidents; and Jeff W. Newbill, Jr., Secretary-Treasurer. Mr. Wilder was formerly an officer of Rader, Wilder & Co., with which the others were also associated.

Earnings Comparison First Quarter

Leading N. Y. City Banks

Bulletin on Request

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NEW ISSUES

May 5, 1960

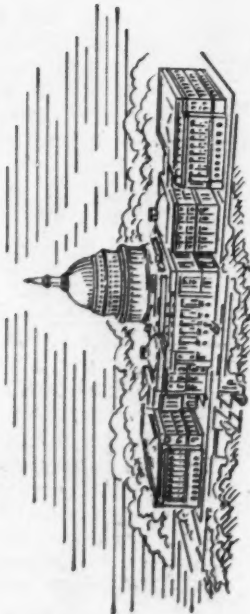
\$129,605,000 New Housing Authority Bonds

The Bonds of each issue will be secured by a first pledge of annual contributions unconditionally payable pursuant to an Annual Contributions Contract between the Public Housing Administration and the Local Public Agency issuing said Bonds in the opinions of bond counsel. Said annual contributions will be payable directly to the fiscal agent of said Local Public Agency in an amount which, together with other funds of the Local Public Agency which are actually available for such purpose, will be sufficient to pay the principal of and interest on the Bonds when due.

The United States Housing Act of 1937, as amended, solemnly pledges the faith of the United States to the payment of the annual contributions by the Public Housing Administration pursuant to the aforesaid Annual Contributions Contracts.

Quotation from an opinion, dated May 15, 1953, of the Attorney General of the United States, to The President of the United States:

"IN SUMMARY, I AM OF THE VIEW THAT: *** A CONTRACT TO PAY ANNUAL CONTRIBUTIONS ENTERED INTO BY THE PHA IN CONFORMANCE WITH THE PROVISIONS OF THE ACT IS VALID AND BINDING UPON THE UNITED STATES, AND THAT THE FAITH OF THE UNITED STATES HAS BEEN SOLEMNLY PLEDGED TO THE PAYMENT OF SUCH CONTRIBUTIONS IN THE SAME TERMS ITS FAITH HAS BEEN PLEDGED TO THE PAYMENT OF ITS INTEREST-BEARING OBLIGATIONS." ¹Public Housing Administration. ²United States Housing Act of 1937, as amended.



Interest Exempt, in the opinion of counsel to the Underwriters, from Federal Income Taxes by the provisions of the United States Housing Act of 1937, as amended.

Legal Investments, in the opinion of counsel to the Underwriters, for Savings Banks and Trust Funds in New York and certain other States, except that the Bonds of the Puerto Rico Agency are not Legal Investments for Trust Funds in the State of New York.

Bonds Issued by Local Public Agencies which are located in:

Scale B		Scale C		Scale D		Scale B		Scale C		Scale D	
\$3,455,000	Baltimore, Md.	3 7/8%	due 1961-2000	\$1,175,000	Andalusia, Ala.	3 7/8%	due 1961-2000	\$1,175,000	Winder, Ga.	3 7/8%	due 1961-2000
6,200,000	Albany, N. Y.	3 7/8%	due 1961-2000	6,625,000	Bessemer, Ala.	3 7/8%	due 1961-2000	1,210,000	Cynthiana, Ky.	3 7/8%	due 1961-2000
10,290,000	Philadelphia, Pa.	3 7/8%	due 1961-2000	5,990,000	Birmingham, Ala.	3 7/8%	due 1961-1999	13,820,000	Puerto Rico	3 7/8%	due 1961-2000
8,740,000	Memphis, Tenn.	3 7/8%	due 1961-2000	1,170,000	Guntersville, Ala.	3 7/8%	due 1961-2000	1,120,000	Lake City, S. C.	3 7/8%	due 1961-2000
Scale C				1,730,000	Sheffield, Ala.	3 7/8%	due 1961-2000	1,005,000	Cookeville, Tenn.	3 7/8%	due 1961-2000
\$29,440,000	Chicago, Ill.	3 7/8%	due 1961-1999	1,465,000	Bradenton, Fla.	3 7/8%	due 1961-2000	975,000	Covington, Tenn.	3 7/8%	due 1961-2000
2,040,000	Chicopee, Mass.	3 7/8%	due 1961-2000	1,615,000	Daytona Beach, Fla.	3 7/8%	due 1961-1999	1,970,000	Dyersburg, Tenn.	3 7/8%	due 1961-2000
1,705,000	Lawrence, Mass.	3 7/8%	due 1961-2000	1,055,000	Warner Robins, Ga.	3 7/8%	due 1961-2000	2,545,000	Portsmouth, Va.	3 7/8%	due 1961-2000
3,250,000	Elizabeth, N. J.	3 7/8%	due 1961-2000								
19,840,000	Newark, N. J.	3 7/8%	due 1961-2000								

Maturities, Yields and Prices

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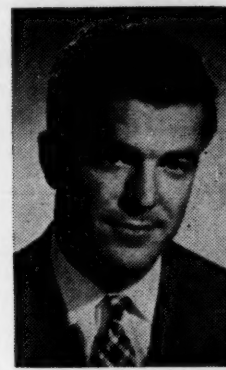
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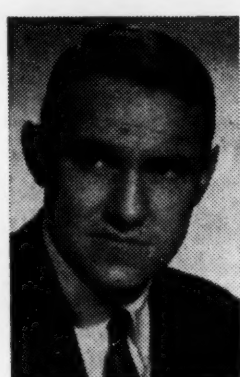


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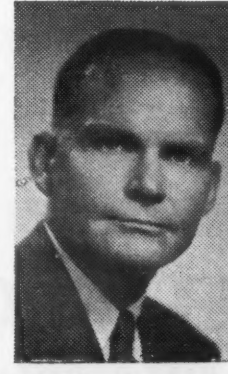
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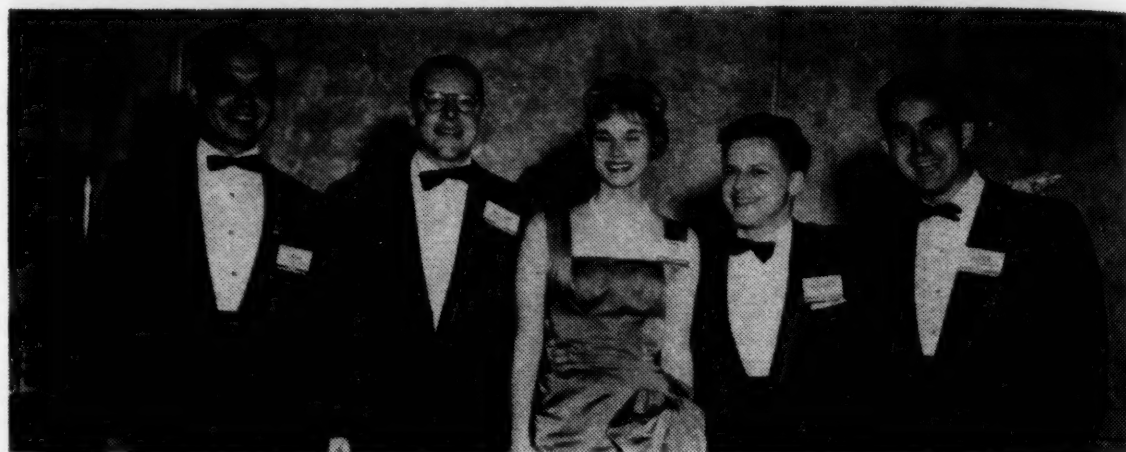
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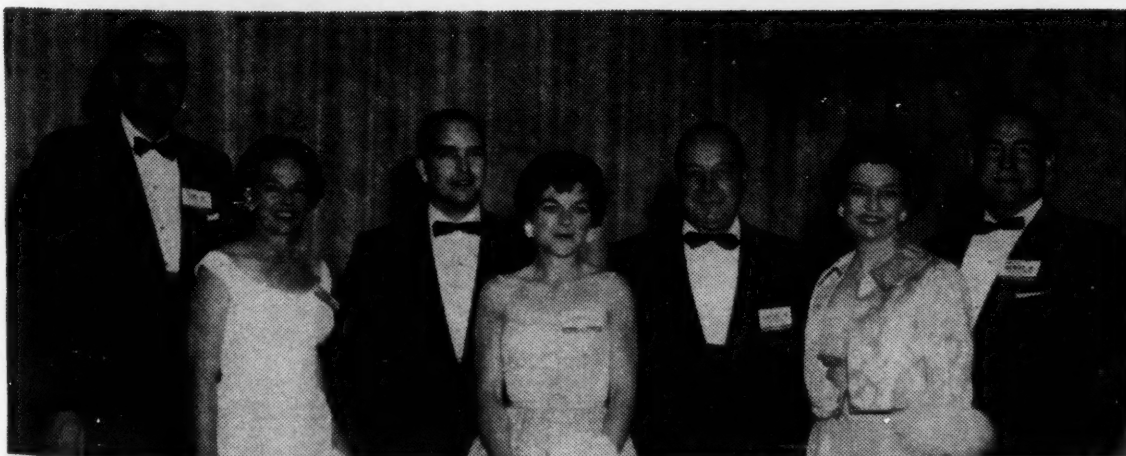
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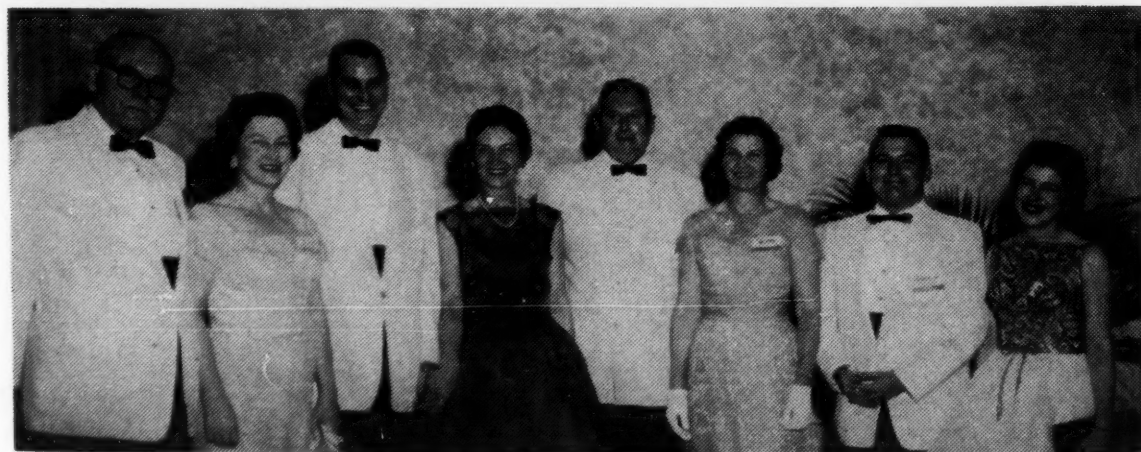
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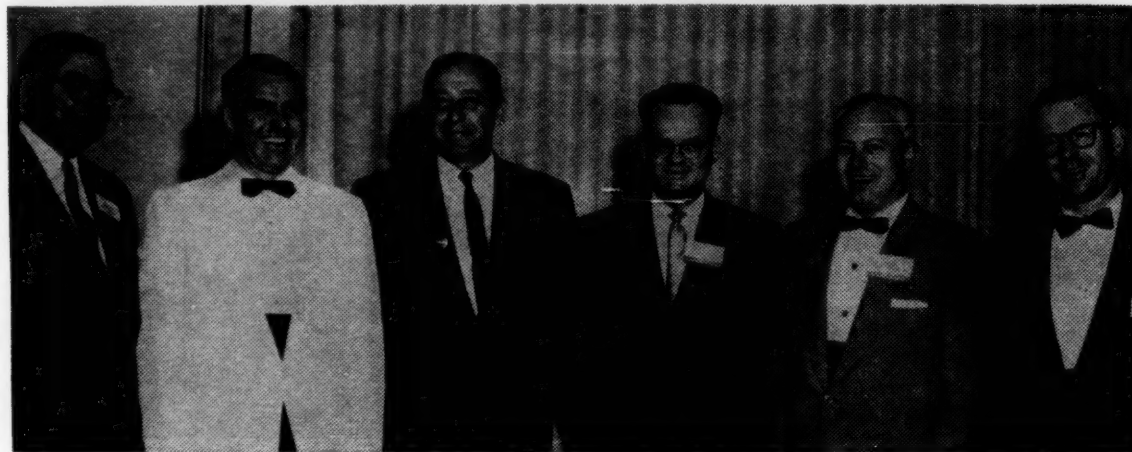
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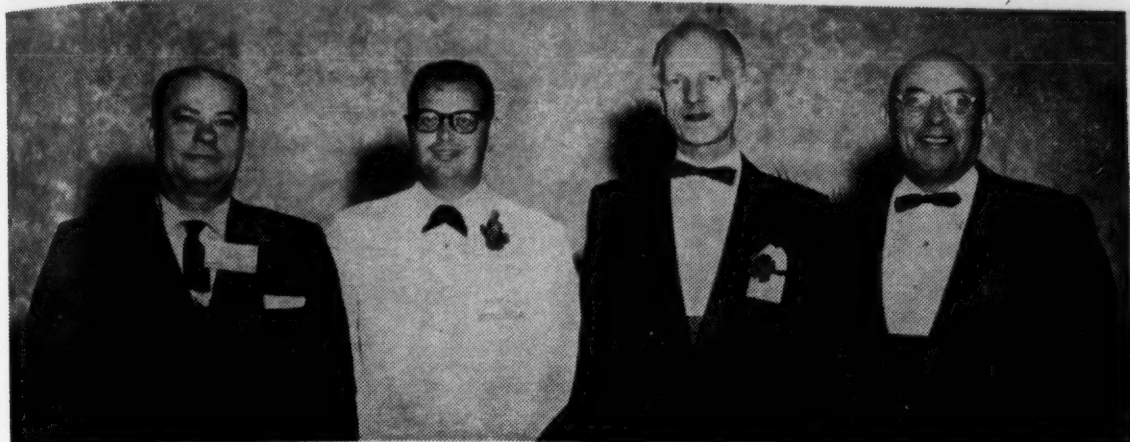
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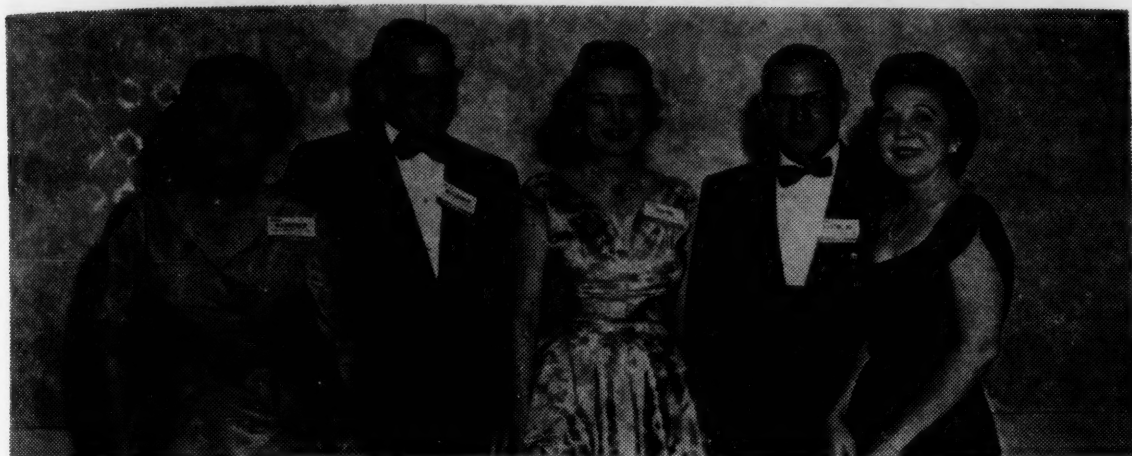
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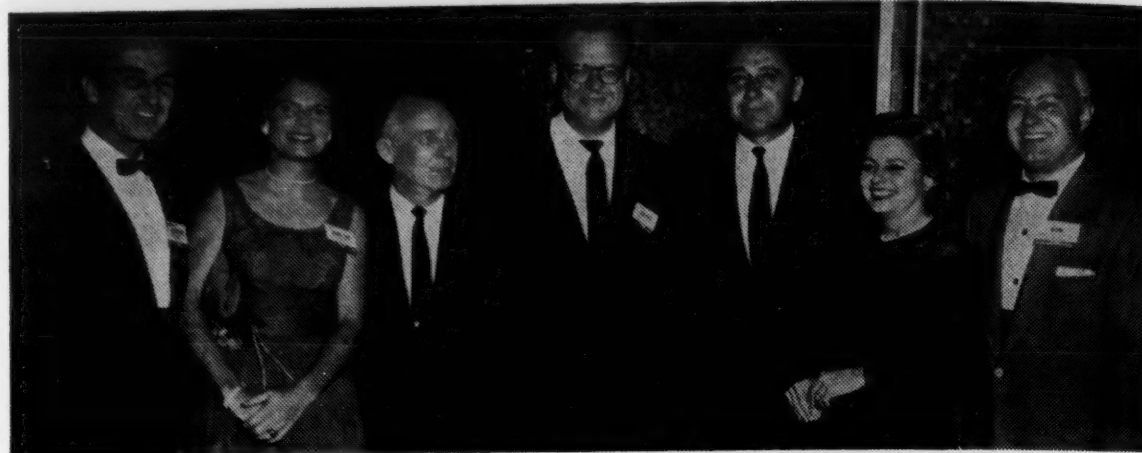
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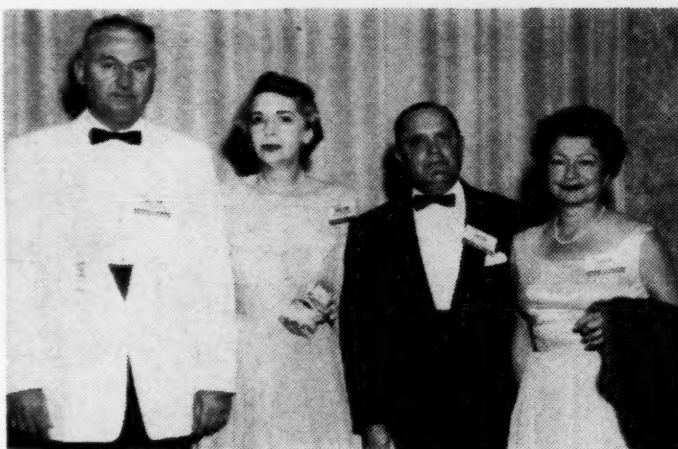
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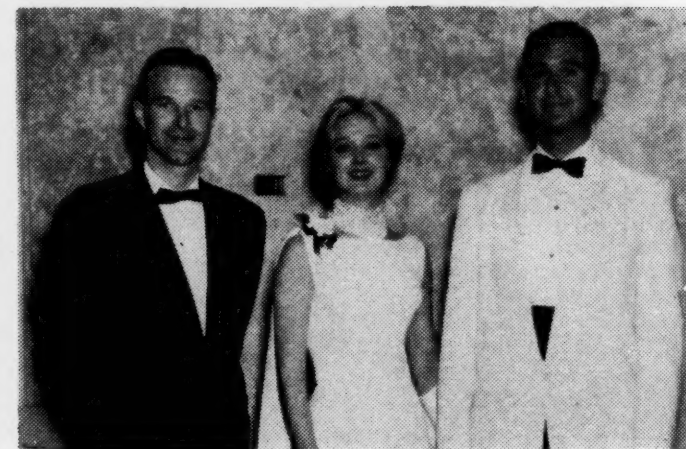
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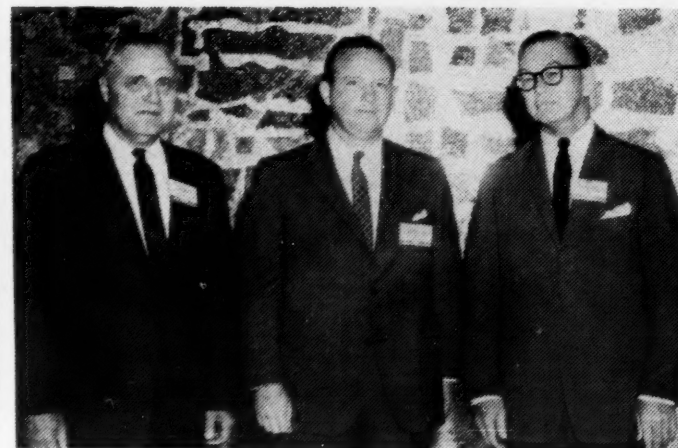
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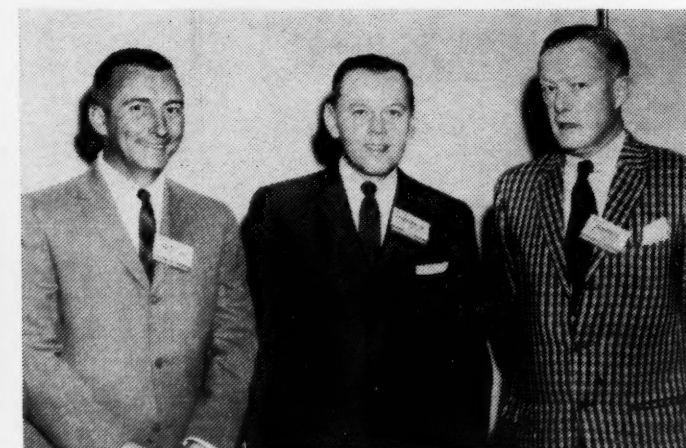
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1965	2.80	2.80	2.80	2.80	2.80	1979	3.50	3.50	3.50	1991	3.80	3.85	@100
1966	2.85	2.85	2.85	2.85	2.85	1980	3.50	3.55	3.55	1992	3.80	3.85	@100
1967	2.90	2.90	2.90	2.90	2.90	1981	3.55	3.60	3.60	1993	3.80	3.85	@100
1968	2.95	2.95	2.95	2.95	2.95	1982	3.60	3.65	3.65	1994	@100 1/2	@100	@99 1/2
1969	3.00	3.00	3.00	3.00	3.00	1983	3.60	3.65	3.65	1995	@100 1/2	@100	@99 1/2
1970	3.05	3.05	3.05	3.05	3.05	1984	3.65	3.70	3.70	1996	@100 1/2	@100	@99 1/2
1971	3.10	3.10	3.10	3.10	3.10	1985	3.65	3.70	3.70	1997	@100 1/2	@100	@99 1/2
1972	3.15	3.15	3.15	3.15	3.15	1986	3.70	3.75	3.75	1998	@100 1/2	@100	@99 1/2
1973	3.20	3.20	3.20	3.20	3.20					1999	@100 1/2	@100	@99 1/2
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Funds Step Up Sale of Stocks As the Market Declines

Continued from page 1

tial rise in the holdings of U. S. Government securities, corporate short-term notes, along with cash; these prime liquidity items increasing from \$707 million to \$805 million. Investment companies which thus increased their prime liquid position rose to 51, up sharply from 24 in the preceding quarter. Corporate bonds and preferred stocks continued to be broadly favored, as another defensive medium.

LIQUIDITY-SEEKERS

Funds thus substantially increasing their proportionate stake in prime liquid items include American Business Shares, Axe Science, Johnston Mutual, Massachusetts Life Fund, National Securities Income, New England Fund, de Vegh Mutual (from 0.1% of net assets to 14.8%), Fidelity, Guardian Mutual (from 19.5% to 27.3%), M.I.T., National Securities Stock, Selected American, the four United Funds, Dominick Fund, General Public Service, and Lehman Corp.

Of these, net sellers of common stocks were American Business Shares, Massachusetts Life Fund, National Securities Income, de Vegh, Fidelity, Guardian, M.I.T., National Securities Stock, Selected American, Dominick, and General Public Service. Other important sellers were Boston Fund, Diversified Investment Fund, Wellington Fund, Texas Fund, Wisconsin Fund, Consolidated Investment Trust, and U. S. & Foreign. An extreme and unusual example of shelter-mindedness is provided by Imperial Capital Fund, the former Minnesota Fund, which slashed its common stockholdings from 83% of assets at the end of last November to 35.2% in late February; at the same time increasing bonds from 4.5% to 54.9%. The latter's policy was prompted by extreme stock market pessimism, as follows from its President, Albert M. Sheldon, Jr.: "We suspect that in the years 1960-'61, we will witness the largest declines in stock market averages and gross national product seen in two decades."

STOCK BUYERS

Funds which repeated their net common stock buying of the previous quarter were: Axe Houghton A and B, Axe Science, Putnam Fund, Value Line Income, Value Line Special Situations, Chemical Fund, Dreyfus, Eaton & Howard Stock, Fundamental, Investment Co. of America, MIT Growth, National Investors, United Accumulative, United Income, United Science, and Lehman.

Other conspicuous stock buyers included General Investors Trust, Mutual Investment Fund, National Wide Securities, Putnam, Share-

holders' Trust, Stein Roe & Farnham Balanced, Aberdeen, Affiliated, Bullock, Delaware, Dividend Shares, Eaton & Howard Balanced, Energy Fund, Fundamental, Group Securities Common, Incorporated Investors, Investment Trust of Boston, One William, State Street, and American European.

COMMENT FROM THE BEARISH CONTINGENT

Officials of the billion-dollar Wellington Fund, which has been reducing its proportionate holdings of commons, describes themselves as "very discriminating" and as continuing a "weeding out" campaign regarding their portfolio, particularly of its section of volatile, cyclical industries. Industries reduced include automobile, steel, metal, and oil. While some more corporate bonds were acquired, particularly heavy additions were made in cash and Government securities, mainly Treasury notes with maturities of less than five years.

Officials of the Madison Fund at the annual meeting reported themselves as now cautious and un-aggressive. "Cyclical" holdings have been reduced, including steels and motors, while oil stocks are being shunned. Additions of "defensive" securities were described, including tobaccos, utilities and bank stocks, also convertible bonds and U. S. Government securities. They also told of some additions of "growth" stocks, such as electronics.

Henry T. Vance, President of the Boston Fund, whose stock sales during the March quarter equalled seven times its purchases, states that the heaviest cut-backs were made in December and January, and were centered in General Motors, Bethlehem Steel, Socony, U. S. Steel, and Inland Steel.

Short-term U. S. Government Agency notes, which comprise 18% of their fund's net assets were lauded thus by the trustees of the Shareholders' Trust of Boston: "These notes are providing a current income yield of 5.0% and, because they are readily convertible to cash, provide the Trust with a high degree of flexibility to avail itself of new and interesting investment opportunities which invariably arise in the ever-changing climate of the nation's economy."

Yield, rather than "flexibility," is stressed by Harold Story, President of Wisconsin Fund, in referring to the sale of "carefully selected equities," with transfer of the proceeds to U. S. Treasury securities affording a greater aggregate yield.

U. S. Treasury bonds with low coupon selling at substantial discounts have been acquired by several funds. For example, Guardian

Mutual, the diversified stock fund sponsored by Neuberger & Berman, during the quarter added to its previous holdings \$288,000 2½s due Nov. 15, 1961, and \$245,000 of 2½s due Feb. 15, 1963. These issues carry the advantage for income recipients in the higher tax brackets of increased net yield by reason of their taxation partly at the favorable capital gains rate.

Edward P. Rubin, President of Selected American Shares, reporting a "modest" reduction, with more to come, in stocks, differentiates between business and market factors. "Many of the stock market's current difficulties can probably be ascribed to conditions within the security markets themselves. Stock prices in recent years have risen substantially, making it normal to expect a period of consolidation or downward adjustment. 'Selectivity' has intensified to a point where some observers think there may be overemphasis on growth potential as distinguished from sound current value. Neither inflationary risks nor yield provide strong current motivation favoring stocks. It may take more time to work out all these new circumstances and develop a sustained new uptrend."

Typifying the increased attractiveness of bond yields versus "overvalued" stocks is this statement from Lawrence A. Sykes, President of Massachusetts Life Fund:

"Early in January, we actively reduced certain portions of our common stock portfolio which we felt were overvalued and took advantage of the high bond yields to build up our over-all income and protect our past gains. This decision reduced our common stock portion to 58.66% from 65.01% at the year-end. Our only major stock acquisition during the period was Eastman Kodak."

THE BULLISH CONTINGENT

Both an optimistic view of business and a constructive selective attitude toward stocks are voiced jointly by the Chairman and President of the Johnston Mutual Fund Inc.:

"It is our belief that the decline in stock prices which began in early January was due more to over-optimism in December than to any real deterioration in the business outlook. Instead of the uncontrolled boom (with the usual painful aftermath) that was then widely expected, it now appears that 1960 will be a year of normal growth. We think this will prove all to the good."

And as an investment program: "We have felt that many standard stocks are selling at rather high prices relative to their expected rates of earnings growth. Under these conditions, rather than seek the negative, and probably unproductive, shelter of bonds, we have increased our efforts to find companies which are showing, or can be expected to show, an above-average rate of growth of both sales and earnings—through the development of new products, new processes and new markets. In this day of rapid social, economic, and technological change, many new investment opportunities are arising, and we are finding this a productive field for investment research. . . . It is in

this area that we believe the Fund, as a 'packaged' investment program, can be of greatest value to the shareholder. The wide diversification of our portfolio spreads, and thus limits, the risk—and at the same time broadens our opportunities for growth and capital income."

Dividend Shares (in the Bullock Group), mentioned above as an important net buyer of common stocks, explains through Robert E. Clark, executive vice president, that in February the fund not only invested all the new money that came to it through the sale of shares, but also committed some of its reserves of cash and U. S. Government securities:

"Purchases," Mr. Clark said, "were made in a diversified list of securities with no particular industry being favored."

"The decline of 10% in the stock market averages which took place during the January-February period brought many individual securities to a level where they appeared to be conservatively priced in relation to anticipated earnings and dividends. The purpose of establishing reserves in the form of cash and U. S. Government securities is to be able to take advantage of buying opportunities for individual stocks as they occur without reference to the 'average' level of the market," Mr. Clark maintained.

"Down-to-earth" optimism about the economy and the stock market for the remaining months of 1960 is voiced by one of the nation's largest investment management companies, National Securities & Research Corporation, sponsors and managers of the \$460 million National Securities series of mutual funds, which looks for 1960 to be "a year of sound growth with no overtones of boom psychology." It predicts 1960 steel production will achieve a new record high of about 122 million tons, up about 31% from the 1959 total, and automobile production will attain a 6.5 million level, up about 16% from last year.

Taking note of what the fund managers termed a "normal reaction to an unduly rapid rise in common stock prices," National declared it does not subscribe to the widely publicized view that we are in a "bear market." It expects common stock prices to trend upward in an irregular pattern for the remainder of the year.

National believes succeeding quarters of 1960 will show further advances in gross national product from the record annual rate of approximately \$500 billion reached during the March quarter. For the year as a whole, it anticipates a gain of almost 6% over the previous record. This management company expects corporate profits after taxes to establish a new all-time record of about \$27 billion in 1960, a gain of 10% over 1959 and looks for dividend payments to aggregate about \$14.4 billion, up \$1.2 billion from last year, and another new record.

Lazard Fund's management, through President R. H. Mansfield and Chairman Albert J. Hettinger, Jr., the economist, citing the cross-currents in the business situation, had this to say: "Seldom has there been as rapid a change in business sentiment as occurred in the United States during the



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early weeks of 1960. It is believed that sentiment at the beginning of the year was more optimistic, and by the middle of the first quarter less optimistic, than was justified by an analysis of the situation." The outlook for a turn-down in money rates, and a curtailment of inventory building are hailed as "reassuring rather than disturbing developments." "With confidence in the soundness of the economic situation, and the continued ability to make the flexible adjustments so necessary in a growing country," they conclude, "we are maintaining a well invested position in equities."

Lazard's portfolio changes during the quarter included small reductions in rails, some offsetting shifts in its steel position, and limited selective sales of industrials. New acquisitions were made of Minneapolis-Honeywell, Montgomery Ward, and Panhandle Eastern Pipe Line. Largest increases in existing holdings, in order of magnitude, were insurance, metal, rubber, and oil stocks. The Lazard management expresses the belief that Aetna Life, General Reinsurance, Glens Falls, and Travelers Insurance are "moderately priced for growth equities;" that American Smelting and Reynolds Metals "provide both product and geographical diversification;" that Royal Dutch and Shell Oil are "attractive values in an industry totally lacking in present popularity," while further additions to Firestone and Goodrich "reflect our confidence in the rubber industry." Georgia-Pacific Corp. remains Lazard's largest individual holding.

Midst the current abandonment of the widespread inflation psychosis, this statement on the long-range investment and "prosperity" aspects of the subject by Milan D. Popovic, President of the Blue Ridge Mutual Fund are interesting: "It seems that 'inflation of prosperity' will continue with us and will provide an upward trend, not necessarily in a steep straight line, but upward. If these thoughts have any meaning, then the best way to participate in this development, which is on a world-wide scale, is through ownership of the vehicles of growth, that is common stocks of the industries participating in it. It should be emphasized that this favorable attitude toward stocks does not apply to all of them indiscriminately. They shall continue to fluctuate individually in reflection of their particular fortunes which will continue to differ greatly. The risks in common stock ownership will always be there because it is a part of the incentive which is the essence of the free enterprise or capitalistic democracy."

POPULARITY WINNERS

The March quarter's "popularity contest" among the individual issues yielded sharply different results from the previous quarter. In the December quarter the leaders were International Nickel, du Pont, Ford, GM, GE, and Royal Dutch, in that order. In the latest quarter, ended March 31, the best bought issue was "glamorous," high price-earnings-ratioed IBM, bought by 10 managements, with nary a seller. Runner-up was the "growth" stock ATT, also acquired by 10 managements, and sold by only one. Swift, a long-neglected cyclical issue, attracted nine buying managements, here again with only one seller. Gillette was bought by eight managements, with no seller. Ranking next in popularity were General Public Utilities (thanks largely to a rights offering), cyclical Deere, and Royal Dutch.

ISSUES IN DISFAVOR

Leading the most widely sold issues was, as in the preceding quarter, American Airlines—joined this time, however, by Charles Pfizer. Both these issues were sold by eight fund managements, without a buyer. Next most heavily sold issue was Chrysler, sold by nine managements and bought by two; and Jones & Laughlin Steel, disposed of by eight managements, with only two buyers. Goodyear and Republic Steel were also fairly widely liquidated.

FOREIGN ISSUES

The waning, though still considerable interest in foreign issues, as previously exhibited in the final quarter of 1959, continued. During the latest quarter Royal Dutch remained the best-bought foreign issue; being acquired by eight managements and sold by only one. Next best bought foreign issue again was Philips' Lamp Works, with seven managements buying and only two selling. Moderate buying continued in Unilever N. V., Farben Bayer, Schlumberger (by Axe B), Broken Hill Pty. (by Wall Street Investing), Free State Geduld (by Shareholders' Trust), Great Universal Stores (by Incorporated Investors), Hoogovens (by Axe B and Investment Trust of Boston) and Imperial Chemical Industries (by United Science). On the other hand, selling appeared in Steel of Wales (eliminated by Lazard), Bowater Paper (by Axe A), Colvilles convertible bonds (by Investment Co. of America), and Pechiney (eliminated by Energy Fund). Opinion was divided on the formerly popular Siemens & Halske (eliminated by Lazard and reduced by United Continental; while being increased by Stein Roe & Farnham Balanced).

An interesting new acquisition by Eurofund was its purchase of 1,300 shares of Olivetti, which recently assumed full control of ailing Underwood Corporation.

ATTITUDE TOWARD INDUSTRY GROUPS

The following analysis of portfolio changes, reflected in our tabulation on page 29, of transactions in 425 stock issues is based on the number of managements buying or selling, not on the number of shares or the dollar amounts involved.

During the March quarter fund managements particularly favored bank, chemical, food, gold, tobacco and utility stocks. Also fairly well bought, although more moderately, were agricultural equipment, glass, natural gas and office equipment stocks in addition to best-liked IBM; and to a still lesser extent, building, coal, insurance, machinery, and paper stocks.

A mixed, or neutral, attitude was evidenced toward the other groups, including the oils. Other mixed groups, where considerable selling appeared, included the drugs, rubbers, and textiles.

In pronounced disfavor were airlines, aluminum (other than Aluminium, Ltd.), coppers, rails and most steels.

TRANSACTIONS IN THE FAVORED GROUPS

Agricultural Equipments Liked

Both Deere and International Harvester emerged from their previous disfavor with the funds, although this revival of interest was by no means unanimous. Lazard was the largest buyer of Deere (8,500 shares), followed by the Stein Roe & Farnham Group. Considerable selling came into this issue from the Tri-Broad Street Group (52,500), and from Dreyfus (14,960). Harvester found its largest buyer in One William, with a 40,000-share new acquisition.

Banks Again Favored

Best liked bank stock was First National City of New York, its largest purchasers being Fidelity (6,700) and Selected American (4,500); with no sellers. Second best liked bank stock was Chemical New York Trust, of which the Bullock Group bought 12,000

shares and Delaware, Selected American, and Wellington, each 10,000; the only seller was George Putnam (25,000 shares).

Building Stocks In Mild Demand

Outstanding development in this group was the initial acquisition of 57,500 shares of Yale & Towne by One William Street; while, on the other hand, deVegh eliminated its 5,000 shares.

Chemicals Favored

Diversified Eastman Kodak, best liked in this group, enlisted the largest purchase from Massachusetts Life Fund (7,000 shares newly). Du Pont provoked a more ambivalent attitude, 12 buying managements contrasting with six sellers. The largest buyer was Dividend Shares in the Bullock Group (9,000); the largest seller was Dreyfus with an elimination of 5,000, as did deVegh with its 2,300 shares. Well-liked was Hercules Powder, which found its largest buyers in Chemical Fund (10,400) and Lehman (5,000), while only Fidelity was a seller (13,500). Buyers of Dow included the Tri-Broad Street Group (48,900), while Madison sold 3,200 shares. Rayonier, a cyclical issue, was sold by Fidelity (34,000), the Fundamental Group (13,200), Investors Mutual (12,184) and Madison (2,600). Eaton & Howard Stock was the only buyer.

Mild Buying of Coal Stocks

Both Pittston and United Electric Coal had two buyers and no sellers. Buying of the former came from the Axe Group, and United Continental; of the latter, from Adams-American International, and Madison.

Scattered Purchases of Foods

Highly cyclical and long-neglected Swift this time elicited remarkably widespread interest, making it the third best-liked of all stocks. Its 9 buyers included Lehman (25,000), Delaware (15,000), Investment Co. of America (15,000), Group Securities Common (8,000), all representing initial purchases. The only seller was Penn Square Mutual. Second best-liked issue in this group was Campbell Soup, whose 5 buyers included Wellington (99,400 newly during January and February), the Bullock Group (24,400), and Dominick (6,000 newly). Reversing its previous position in Ar-

mour, Lazard completely eliminated its 37,500 shares.

Glass Issues In Fair Demand

Best liked in this group was Owens-Illinois Glass, bought by

Continued on page 29

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Balance Between Cash and Investments of 87 Investment Companies (With Aggregate Net Assets of \$12.6 Billion) 3-31-60 vs. 12-31-59

	Net Cash & Governments† Thousands of Dollars		Net Cash & Governments† Percent of Net Assets		Investment Bonds and Preferred Stocks* Percent of Net Assets		Com. Stocks and Lower Grade Bonds & Pfd. Percent of Net Assets	
	Dec.	Mar.	Dec.	Mar.	Dec.	Mar.	Dec.	Mar.
Open-End Balanced Funds:								
American Business Shares.....	3,119	4,610	12.0	18.3	28.2	30.5	59.8	51.2
Axe-Houghton Fund A.....	4,974	5,763	10.3	12.6	31.2	29.6	58.5	57.8
Axe-Houghton Fund B.....	2,362	2,502	1.7	1.8	23.7	24.1	74.6	74.1
Axe-Houghton Stock Fund.....	291	N.A.	3.7	N.A.	21.1	N.A.	75.2	N.A.
Axe Science & Electronics.....	1,639	2,585	13.1	19.6	14.6	12.6	72.3	67.8
Boston Fund.....	10,332	10,867	4.7	4.9	35.2	41.0	60.1	54.1
Broad Street Investing.....	4,020	7,151	2.4	3.8	10.2	11.0	87.4	85.2
Commonwealth Investment.....	12,388	14,128	8.1	9.7	22.7	24.2	69.2	66.1
Diversified Investment Fund.....	1,442	1,437	1.5	1.6	25.6	29.8	72.9	68.6
Dodge & Cox Fund.....	290	326	4.1	4.7	21.9	24.2	74.0	71.1
Eaton & Howard Balanced Fund.....	29,112	29,575	14.4	15.2	19.3	20.3	66.3	64.5
General Investors Trust.....	2,192	2,139	21.9	19.8	22.1	20.7	56.0	59.5
Group Securities—Fully Admin. Fund.....	926	775	8.6	7.2	21.6	23.3	69.8	69.5
Institutional Foundation Fund.....	1,171	1,743	4.4	5.5	16.1	12.3	79.5	82.2
Investors Mutual.....	11,059	23,533	0.7	1.6	33.4	35.8	65.8	62.6
Johnston Mutual Fund.....	869	1,355	7.6	11.5	14.3	14.5	78.1	74.0
Knickerbocker Fund.....	219	113	1.5	0.9	4.3	5.5	94.2	93.6
Loomis-Sayles Mutual Fund.....	17,693	20,600	23.6	27.4	16.8	16.0	59.6	56.6
Massachusetts Life Fund.....	3,565	6,317	6.2	10.9	27.3	28.6	66.5	60.5
Mutual Investment Fund.....	1,375	1,637	4.8	5.8	12.3	12.9	82.9	81.3
National Securities—Income.....	964	3,838	1.3	5.1	10.9	12.2	87.8	82.7
Nation-Wide Securities.....	1,781	1,315	5.3	4.0	35.1	33.9	59.6	62.1
New England Fund.....	3,446	4,200	22.7	28.7	22.0	8.7	55.3	62.6
Putnam (George) Fund.....	10,595	8,083	5.2	4.0	23.0	23.4	71.8	72.5
Scudder, Stevens & Clark Fund.....	6,705	7,809	8.4	10.3	26.3	27.7	65.3	62.0
Shareholders' Trust of Boston.....	8,369	7,670	21.6	19.1	22.1	25.7	56.3	55.2
Stein Roe & Farnham Balanced Fund.....	9,381	7,481	21.9	17.4	20.0	23.5	58.1	59.1
Value Line Fund.....	—	47	—	0.5	3.7	4.2	95.0	95.3
Value Line Income Fund.....	2,714	2,947	3.1	3.5	5.9	2.8	91.0	93.7
Wellington Fund.....	136,772	159,029	13.4	15.7	24.0	25.6	62.6	59.1
Whitehall Fund.....	402	291	3.3	2.5	44.7	45.3	52.0	52.2
Sub-Total Open-End Bal. Funds	290,167	339,866	8.4	9.8	21.3	21.7	70.2	68.5

Open-End Stock Funds:

Aberdeen Fund.....	638	274	3.9	1.7	None	None	96.1	98.3
Affiliated Fund.....	70,640	73,217	11.9	12.7	0.4	0.4	87.7	86.9
Blue Ridge Mutual Fund.....	3,762	3,660	11.0	11.4	0.6	0.6	88.4	88.0
Bullock Fund.....	10,475	8,795	18.9	16.4	0.2	None	80.9	83.6
Chemical Fund.....	3,498	4,633	1.3	1.9	1.1	1.4	97.6	96.7
Delaware Fund.....	5,428	3,886	6.0	4.4	3.9	3.0	90.1	92.6
de Vegh Mutual Fund.....	19	2,800	0.1	14.8	3.7	5.9	96.2	79.3
Dividend Shares.....	35,604	30,425	12.9	11.6	None	None	87.1	88.4
Dreyfus Fund.....	8,216	10,158	8.6	9.3	None	0.8	91.4	89.9
Eaton & Howard Stock Fund.....	22,282	21,243	13.7	13.7	None	None	86.3	86.3
Energy Fund.....	67	135	0.7	1.4	None	None	99.3	98.6
Fidelity Fund.....	28,062	52,090	7.0	14.0	2.0	2.3	91.0	83.7
Fundamental Investors.....	9,338	5,874	1.6	1.1	0.1	0.1	98.3	98.8
General Capital Corp.....	149	43	0.7	0.2	None	None	99.3	99.8
Group Securities—Com. Stock Fund.....	816	838	1.2	1.3	None	None	98.8	98.7
Guardian Mutual Fund.....	1,636	2,235	19.5	27.3	1.5	1.4	79.0	71.3
Incorporated Investors.....	18,719	12,307	5.6	4.1	1.1	1.0	93.3	94.9
Institutional Investors Mutual Fund§§	3,155	3,808	6.7	8.7	None	None	93.3	91.3
Investment Co. of America.....	16,443	15,846	10.1	10.0	1.3	1.0	88.6	89.0
Investment Trust of Boston.....	—	—	—	—	\$5.2	\$4.7	\$94.7	\$94.1
Lazard Fund.....	16,084	11,648	10.8	8.6	None	None	89.2	91.4
Massachusetts Investors Trust.....	4,738	25,427	0.3	1.8	None	None	99.7	98.2
Massachusetts Investors Growth Stock.....	15,404	13,021	4.7	4.0	None	None	95.3	96.0
Missiles-Jets & Automation.....	867	818	16.9	17.9	b19.2	b14.5	63.9	67.6
National Investors.....	2,500	2,011	1.9	1.4	0.5	0.5	97.6	98.1
National Securities—Stock.....	2,080	10,426	1.1	5.8	None	None	98.9	94.2
One William Street.....	17,604	11,811	6.0	4.4	0.8	0.4	93.2	95.2
Pine Street Fund.....	1,803	1,956	9.7	11.4	4.1	3.7	86.2	84.9
Price (T. Rowe) Growth Stock.....	4,753	3,322	16.7	11.1	0.7	0.7	82.6	88.2
Scudder, Stevens & Clark—Com. Stk.....	1,004	1,269	2.9	3.8	None	None	97.1	96.2
Selected American Shares.....	3,622	6,649	3.5	7.0	1.7	0.7	94.8	92.3
Sovereign Investors.....	206	114	5.6	3.4	3.0	4.1	91.4	92.5
State Street Investment.....	16,130	11,090	7.9	5.7	1.6	1.6	90.5	92.7
Stein Roe & Farnham Stock Fund.....	628	604	5.4	5.1	1.8	1.6	92.8	93.3
Texas Fund.....	1,165	907	3.0	2.5	0.4	0.5	96.6	97.0
United Accumulative Fund.....	13,608	16,903	4.0	5.1	6.5	7.5	89.5	87.4
United Continental Fund.....	2,095	3,009	4.7	7.3	1.1	0.8	94.2	91.9
United Income Fund.....	11,428	15,026	4.8	6.5	2.9	4.2	92.3	89.3
United Science Fund.....	4,279	10,627	3.5	8.7	1.2	2.0	95.3	89.3
Value Line Special Situations.....	97	186	0.9	1.8	None	None	99.1	98.2
Wall Street Investing.....	932	541	9.6	5.8	4.1	9.4	86.2	84.8
Wisconsin Fund.....	584	2,486	3.6	16.3	2.3	2.4	94.1	81.3
Sub-Total Open-End Stock Funds	360,058	402,118	6.4	7.4	1.7	1.9	91.9	90.7
Total Open-End Funds	650,225	741,984	7.3	8.4	10.0	10.1	82.7	81.5

Closed-End Companies:

Adams Express.....	2,828	3,392	2.9	3.7	0.7	0.7	96.1	95.6
American European Securities.....	2,613	1,643	13.2	9.1	None	None	86.8	90.9
American International.....	1,820	2,146	4.4	5.6	1.1	1.2	94.5	93.2
Carriers & General.....	1,327	1,514	6.8	8.3	2.4	1.1	90.8	90.6
Consolidated Investment Trust.....	3,180	3,851	4.4	5.9	None	None	95.6	94.1
Dominick Fund.....	2,661	3,598	6.9	10.0	3.4	3.4	89.7	86.6
General American Investors.....	4,411	4,043	7.3	7.6	1.4	1.7	91.3	90.7
General Public Service.....	4,248	6,252	9.0	13.3	0.1	0.1	90.9	86.6
Lehman Corp.....	3,589	9,125	1.2	3.1	0.1	0.1	98.7	96.8
Madison Fund.....	10,653	6,464	7.4	4.9	1.6	1.3	91.0	93.8
Niagara Share.....	5,569	5,539	8.7	9.3	3.1	3.2	88.3	87.5
Overseas Securities.....	—	—	—	—	\$10.4	\$13.3	\$77.3	\$71.3
Tri-Continental.....	2,544	3,873	0.6	0.9	10.3	10.9	89.1	88.2
U. S. & Foreign Securities.....	10,991	11,795	9.3	11.0	None	None	90.7	89.0
Total Closed-End Companies	56,434	63,035	6.0	6.9	2.7	3.0	90.4	90.0
Grand Total	706,659	805,019	7.1	8.2	9.0	9.0	83.9	82.8

†Including corporate short-term notes where so included by reporting investment company; also other assets. *Investment bonds and preferred stocks: Moody's Aaa through Baa for bonds; Fitch's AAA through BBB for preferreds (or approximate equivalents). †Bonds and preferreds irrespective of quality classification. ‡Common stocks only. §In percent of gross assets or total securities. ¶Cost of purchases. **Proceeds from sales. ††Estimated. ‡‡Owned by 78 savings banks, etc. in New York State. a Exclusive of corporate short-term notes. b All convertible (or with warrants). c As of March 1, 1960.

CHANGES IN CASH POSITION OF 87 INVESTMENT COMPANIES
MARCH 31, 1960 vs. DECEMBER 31, 1959

	Plus	Minus	Approx. Unchanged	Total
OPEN-END COMPANIES: Balanced Funds.....	19	8	4	31
Stock Funds.....	21	17	4	42
CLOSED-END COMPANIES.....	11	2	1	14
Totals	51	27	9	87

SUMMARY

AVERAGE ALLOCATION BY 87 COMPANIES OF ASSETS TO CASH AND EQUIVALENT, DEFENSIVE SECURITIES, AND RISK SECURITIES

	Dec. 31, 1959	Mar. 31, 1960
Net cash, etc. and Governments.....	7.1%	8.2%
Defensive securities (investment bonds and preferreds).....	9.0	9.0
Risk securities (common stocks plus lower grade bonds and preferreds).....	83.9	82.8
Totals	100.0%	100.0%

Security Transactions by the 87 Investment Companies During January-March, 1960

(In Thousands of Dollars)			
Portfolio Securities Other than Governments		Of this: Portfolio Common Stocks	
Purchases††	Total Sales**	Purchases††	Total Sales**
650	2,317	104	1,960
2,192	3,503	2,142	1,623
9,902	4,615	7,225	3,082
713	813	708	813
1,420	805	1,270	805
18,015	22,005	1,562	10,685
45,727	14,701	38,480	12,198
654	3,684	654	2,080
3,043	2,917	1,029	2,870
327	242	172	193
4,653	3,667	2,177	1,342
1,227	323	1,156	155
538	None	391	None
4,950	4,075	3,955	3,875
85,667	50,177	17,075	16,825
917	790	850	790
935	925	814	925
10,948	11,775	7,591	7,184
2,389	3,100	1,514	2,645
1,623	832	1,445	832
3,578	4,688	2,199	3,922
2,619	1,828	2,125	357
1,660	2,186	1,410	1,339
13,011	7,372	6,594	4,331
4,976	3,437	962	1,089
9,667	6,455	3,914	1,884
5,199	1,954	3,554	1,729
16	540	None	540
1,441	1,077	1,402	684
65,244	54,057	50,243	53,926
398	250	398	250
304,299	215,110	163,115	140,933

954	1,087	954	1,087
647	90	647	90
453	728	453	728
662	1,022	662	786
None	611	None	611
2,653	4,191	2,553	4,041
715	397	715	397
1,413	3,133	1,413	3,133
5,437	2,520	5,437	2,520
13,585	15,861	9,330	10,133
456	927	456	880
582	614	11580	614
4,282	5,386	3,503	4,293
66	1,683	66	1,683
31,905	38,250	26,769	30,999
874,412	476,212	404,150	379,299

Funds Step Up Sale of Stocks As the Market Declines

Continued from page 27

Investment Co. of America (5,200), Dreyfus (5,000), and four others. Of Pittsburgh Plate Glass the Eaton & Howard Group was the largest single buyer (3,500 shares).

Gold Stocks Still Liked

The previous interest in gold stocks, prompted by this country's balance-of-payments problems and potentialities, during the past quarter spread into a few more issues. Buyers of Homestake Mining included Madison (9,100 newly), while the only seller was Knickerbocker, eliminating its 7,000 shares. Giant Yellowknife was bought by 3 funds, including Madison and United Continental with 30,000 shares each. Kerr-Addison, which after the close of the quarter dropped sharply on sensationally unfavorable reserve disclosures, attracted Affiliated (10,900) and Madison (15,500 newly).

There was no activity in South African gold stocks during the quarter, excepting for one acquisition of Free State Geduld, by Shareholders' Trust. Some of these issues were liquidated during the fourth quarter of 1959; while in the third quarter of 1959 there had been both buying and selling.

Insurance Stocks In Reduced Demand

More than average interest was displayed in U. S. Fidelity & Guaranty, of which United Accumulative was the largest single buyer (7,000), although Investors Mutual eliminated its 2,260 shares. Interest was also shown in Transamerica, by United Accumulative (3,000), Blue Ridge (4,000), and Mutual Investment (2,500); while Broad Street eliminated its 400 shares. Of Travelers, Broad Street newly acquired 7,000 shares, and Lazard added 6,000, while Incorporated Investors sold 3,300 shares.

Fair Interest In Machinery

Better than average interest appeared in Allis-Chalmers, which had its largest buyer in American European (7,000 newly), and in Babcock & Wilcox, where the largest buying came from the Bullock Group (46,700), Fidelity (18,000) and Broad Street (14,100). No selling came into either issue. Sales outweighed purchases in Caterpillar, with the largest single sale from de Vegh which eliminated its 6,000 shares.

Natural Gas Attracts Buying

From their mixed treatment in the preceding quarter, the natural gas issues progressed to a more heavily bought status. Best purchased issue was Arkansas Louisiana Gas, acquired by United Funds Group (150,000), Fundamental (200,000), Incorporated Investors (100,100), all new acquisitions; and also by Dreyfus (38,000) and Madison (10,000). The only seller was Investors Mutual (20,000 shares).

Nickel Still Shines

International Nickel, the previous quarter's most popular of all issues, and split after the close of the first quarter, lost its previous position as the best bought of all stocks, although remaining well-liked. The largest single purchase was made by M. I. T. (23,500), followed by Chemical Fund (4,700). Wisconsin Fund was the only seller.

Office Equipments Led By IBM

In the quarter's all-over "popularity contest" IBM captured the No. 1 spot from International Nickel. It had 10 buyers with no sellers, compared with 7-to-3 in the fourth quarter and 8-to-5 in the third quarter of 1959. Largest single buyers were Investment Co. of America (5,000), Dreyfus (2,500), Wellington (2,500 in January and February) and Investors Mutual (1,400). Dreyfus was also the largest buyer of Addressograph (5,000 newly).

Papers In Moderate Demand

Best liked in this group were Scott, Fibreboard and Mead. Of Scott, One William was the largest buyer (5,500); of Fibreboard, Delaware; and of Mead, Broad Street (10,200 newly). In Crown Zellerbach and International sellers outweighed buyers; with Investors Mutual a buyer of both issues.

Tobaccos Moderately Popular

The "defensive" tobaccos encountered somewhat less buying than in the two preceding quarters; with the exception of Reynolds, which this time found its largest buyers in Investment Co. of America (15,000) and Dreyfus (14,400). This issue's sole seller was the Affiliated Fund Group (29,700).

Utilities Bought

In line with widespread feeling of mid-bear market confidence

in them as "defensive" vehicles, also likely to benefit eventually from lower money rates, fairly liberal fund buying came into the utilities. By far the most popular issue was General Public Utilities, accentuated by its rights offering. Substantial acquirers of this issue included Wellington, M. I. T., and Delaware. The minority of sellers included Investment Co. of America (20,000), Investors Mutual (28,200), United Income (all its 63,000 shares) and Madison (19,500). Next best-bought utilities were Tampa Electric, and Kansas Gas & Electric. Buyers of the former included Putnam (40,000 newly) and General Public Service (20,000); and of the latter, Investors Mutual (28,800) and the United Funds Group (36,000). No utility issue met major selling.

GROUPS MEETING MIXED REACTION

Split Action On Aircrafts

North American found its largest buyer in National Securities Stock Series (22,000), with no seller. United Aircraft, the continuation of whose \$2 dividend had been assured by management, was bought by 5 managements, including National Securities Income Series (5,000 newly), and was sold by the United Funds Group (14,000). Diversified General Dynamics was eliminated by Energy Fund (2,500) and National Aviation (5,000), and found no buyers.

Of Lockheed the largest seller was Investors Mutual (29,600). A total of 105,400 shares of "controversial" Curtiss-Wright was sold by 2 funds in the National Securities Group.

Reduced Enthusiasm for Motors

In contrast to the two preceding quarters when the automobile issues were enthusiastically bought, the latest quarter, with its disappointing trade news, witnessed markedly increased selling. Ford, which in the previous quarter was the third most popular of all issues, was now sold by an increased number of managements. Largest seller was Fidelity (39,000). Among the reduced number of buyers the largest were Investors Mutual (9,700) and the Eaton & Howard Group (8,000). General Motors, with 8 buyers and 7 sellers, found its largest buyers in the United Funds Group (9,500) and Investors Mutual (7,800); and its largest sellers in Wellington (70,000 in January-February), M. I. T. (41,000) and Fidelity (21,500). Chrysler, which after the end of the quarter realigned its top management, was preponderantly sold, especially by Wellington (all 35,000), Fidelity (all 30,000), the Fundamental Group (31,800),

Continued on page 31

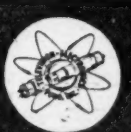
Changes in Common Stock Holdings of 67 Investment Management Groups

(January-March, 1960)

Issues in which transactions by more than one management group occurred. Issues which more managements sold than bought are in italics. Numerals in parentheses indicate number of managements making entirely new purchases or completely eliminating the stock from their portfolios. (Purchases shown exclude shares received through stock splits, stock dividends, spin-offs or mergers, both of portfolio companies or via acquisition of private holding companies. Number of shares bought or sold prior to a stock split is expressed giving effect to the split.)

—Bought—		—Sold—	
No. of Mgt.	No. of Shares	No. of Shares	No. of Mgt.
Agricultural Equipment			
10(1)	24,190	Deere	67,460 3(1)
4(1)	52,000	International Harvester	14,000 2(1)
Aircraft and Aircraft Equipment			
2(2)	5,800	Aerojet-General	4,000 2
3	6,125	Bendix Aviation	7,300 1
2	900	Boeing Airplane	700 1
2	25,700	Cessna Aircraft	None None
2	5,300	Douglas Aircraft	None None
1	5,000	Grumman Aircraft	8,000 1
3(1)	61,625	Martin	50,000 1(1)
3	25,400	North American Aviation	None None
2	9,775	Piper Aircraft	None None
5(1)	13,200	United Aircraft	17,960 2(1)
None	None	General Dynamics	7,500 2(2)
1	2,000	Lockheed Aircraft	36,600 2
None	None	Marquardt Aircraft	15,000 3
Airlines			
2(1)	9,900	Emery Air Freight	None None
None	None	American Airlines	131,300 8(5)
None	None	Braniff Airways	16,500 2(1)
1	2,500	Delta Airlines	19,400 2(1)
2(1)	16,000	Eastern Air Lines	19,060 3
None	None	KLM Royal Dutch Airlines	16,400 2(2)
1	4,200	Northwest Airlines	3,400 2(2)
None	None	Pan American World Airways	57,000 4(4)
1(1)	1,000	United Air Lines	17,800 2
Automotive			
9	26,500	Ford Motor	90,500 7(2)
8	28,500	General Motors	146,200 7(1)
4(1)	13,800	Mack Trucks	1,085 1
1	3,980	White Motor	14,935 1
2(1)	10,500	Chrysler	147,300 9(6)
Automotive Equipment			
3	40,000	Champion Spark Plug	None None
1(1)	10,000	Eaton Mfg.	18,000 1
2(1)	9,500	Electric Storage Battery	15,000 1(1)
3	8,300	Thompson Ramo Wooldridge	2,000 1
3	19,000	Timken Roller Bearing	12,300 1
None	None	Dana	14,100 2
None	None	Electric Autolite	5,500 2
None	None	Kelsey-Hayes	3,700 2
Banks			
4	16,500	Bankers Trust	None None
3	15,200	Chase Manhattan	6,964 3(1)
5(1)	43,500	Chemical Bank New York Trust	25,000 1
6	14,830	First Nat'l City Bank of N. Y.	None None
2	4,000	Manufacturers Trust	None None
4	4,800	Morgan Guaranty Trust	2,000 1
3	6,600	National Bank of Detroit	1,656 1(1)
2(1)	13,400	Security-First Nat'l Bk. of L. A.	None None
1	1,750	First National Bank of Boston	3,750 2
None	None	Republic National Bk. of Dallas	1,218 2

Continued on page 30



TELEVISION-ELECTRONICS FUND, INC.

46TH CONSECUTIVE DIVIDEND

The Directors of Television-Electronics Fund, Inc. have declared a dividend of 4¢ per share from earned income, payable May 31, 1960, to shareholders of record May 2, 1960. Dividend reinvestment date: May 2, 1960.

May 2, 1960


Chester D. Tripp
President

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—Bought—				—Sold—	
No. of	No. of			No. of	No. of
Mgts.	Shares			Shares	Mgts.
10(2)	15,490	IBM	None	None	None
2(1)	3,680	National Cash Register	2,550	2(1)	
None	None	Pitney-Bowes	7,600	3(1)	

Oil

4(1)	11,200	Amerada Petroleum	16,900	4(1)	
7(1)	23,500	Continental Oil	600	1	
5	18,085	Gulf Oil	69,899	4(1)	
3(2)	21,400	Kern County Land	None	None	
3	19,600	Louisiana Land & Exploration	1,800	1	
2(1)	10,800	Mission Corp.	22,000	2(2)	
1	4,200	Ohio Oil	4,000	1(1)	
4(1)	64,100	Phillips Petroleum	20,800	2	
8	54,300	Royal Dutch Petroleum	2,200	1(1)	
2	3,500	Shamrock Oil & Gas	None	None	
2	12,500	Shell Oil	11,000	2	
3	12,900	Skelly Oil	2,000	1	
2(1)	14,000	Socony Mobil Oil	8,100	2(1)	
7(2)	26,200	Standard Oil (Ind.)	1,800	1(1)	
2	12,000	Sunray Mid-Continent Oil	34,000	2(1)	
7(1)	34,908	Texaco	22,089	7	
2(1)	31,100	Texas Gulf Producing	40,000	1	
1	1,680	Union Oil of Calif.	2,600	1(1)	
2	4,900	Atlantic Refining	14,700	4(1)	
1	4,000	Cities Service	6,400	2	
1	9,300	Monterey Oil	32,200	2(2)	
1	300	Signal Oil & Gas	1,700	2	
2	34,500	Sinclair Oil	55,800	6(2)	
2	7,500	Standard Oil of Calif.	94,000	4(2)	
5	51,000	Standard Oil (N. J.)	71,368	8(3)	
2	600	Superior Oil (Calif.)	540	3(2)	

Paper and Paper Products

3	8,000	Champion Paper & Fibre	9,600	3	
2(1)	10,500	Container Corp. of America	2,000	1	
3	9,000	Fibreboard Paper Products	None	None	
3	6,700	Kimberly-Clark	16,000	1	
4(1)	23,020	Mead	2,400	1	
1	3,000	Oxford Paper	8,000	1(1)	
4(1)	27,484	St. Regis Paper	11,500	2(1)	
5(2)	13,800	Scott Paper	6,200	2	
2	12,100	Union Bag-Camp Paper	500	1	
1	5,000	Warren (S. D.)	6,000	1(1)	
1	5,200	Crown Zellerbach	4,300	3(1)	
4	12,562	International Paper	6,349	6(3)	

Public Utilities — Electric and Gas

4	29,000	American Electric Power	None	None	
2(1)	45,000	Calgary Power	None	None	
1	1,900	Carolina Power & Light	7,200	1	
1	1,000	Cleveland Electric Illuminating	9,200	1	
1(1)	8,000	Columbus & So. Ohio Electric	1,000	1	
2(2)	10,000	Consumers Power	1,000	1	
12(1)	135,220	General Public Utilities	150,700	5(1)	
1(1)	2,000	Houston Lighting & Power	12,500	1(1)	
3(2)	32,600	Illinois Power	20,000	1	
2	4,700	Kansas City Power & Light	12,000	2	
5(2)	83,000	Kansas Gas & Electric	None	None	
2(1)	4,500	Kansas Power & Light	None	None	
2	20,500	Long Island Lighting	None	None	
2	22,500	Middle South Utilities	19,000	2(1)	
3	15,800	Montana Power	None	None	
1	2,000	New England Electric System	8,300	1(1)	
5(1)	26,060	New York State Electric & Gas	8,500	1	
2(1)	11,000	Northern States Power	42,800	1	
2(1)	17,000	Ohio Edison	None	None	
3	17,000	Potomac Electric Power	None	None	
2	14,300	Public Service of Colorado	None	None	
2	27,000	Public Service Electric & Gas	10,000	2(1)	
4	33,500	Puget Sound Power & Light	11,000	1(1)	
2(1)	13,285	Savannah Electric & Power	None	None	
3(1)	32,900	South Carolina Electric & Gas	3,000	1(1)	
4	14,500	Southern California Edison	53,000	3(1)	
6(2)	40,400	Southern Co	15,500	3(1)	
3	26,500	Southwestern Public Service	None	None	
7(2)	90,300	Tampa Electric	None	None	

Continued on page 32

Funds Step Up Sale of Stocks As the Market Declines

Continued from page 29

Dreyfus (all 20,000) and Loomis-Sayles (all 15,000). The only two buyers were Atomic Development (9,000) and Knickerbocker (1,500 newly). In the fourth quarter of 1959 the number of buyers had matched the sellers. In prospering American Motors there was only one transaction, the purchase of 3,000 shares by General Investors Trust.

Slight Interest In Beverages

Pepsi-Cola was bought by three managements and sold by none, the largest buyer being the United Funds Group (10,800). In Coca-Cola there was a standoff, one buyer and one seller.

Switching Can Issues

M. I. T. switched from American to Continental Can, eliminating 50,000 shares of the former in favor of 40,900 of the latter. Other large buyers of Continental were Fundamental (21,000) and Fidelity (16,300). American Can, without a buyer, also met complete liquidation by Adams-A. I. C. (13,300).

Drugs Meet Some Selling

Of the leading drug issues, widespread selling hit such high-price-earnings ratio issues as Pfizer, Parke Davis, and Merck. Pfizer was sold chiefly by Fidelity (all 81,000 shares), Chemical Fund (30,000), the United Funds Group (29,900), M. I. T. (26,600), and Fundamental (24,000); there being no buyer of this issue. Fidelity was likewise the largest seller (28,500 shares) of Parke Davis, while the Broad Street Group bought 25,000 shares. Affiliated Fund, likewise a seller (18,500), was in addition one of the 2 largest sellers of Merck. Affiliated and the Bullock Group each sold 21,700 shares of Merck.

Electric and Electronics Meet More Selling

The electronics and electrical equipment issues were disclosed as losing some of their market glamor; in the preceding quarter in only 4 of the 19 issues did sellers outnumber buyers; whereas in the latest period such selling spread to 7 issues. Continuing as best bought stock in this group was General Electric, its 9 buyers including Dreyfus (17,300), generally-bearish Wellington (5,500) and Madison (5,200). Still well liked in this group were Philips' Lamp Works, with State Street

the largest buyer (8,500) and the Stein, Roe & Farnham Group the second largest (7,300). Ampex and Litton were also quite well bought. Included among the former's buyers was Fundamental with an initial acquisition of 180,000 shares. Sold on balance were Westinghouse, RCA, and Raytheon. Largest seller of Westinghouse was Tri (30,000); of RCA, Wellington (40,000); and of Raytheon, Investment Trust of Boston (all its 2,100 shares).

Finance Companies Lightly Bought

Most popular issue in this group was C. I. T. Financial. It was bought by the Bullock Group (33,000), the Scudder Group (25,000 newly), Dominick (2,000), Group Securities Common (2,000) and Dodge & Cox (200); while eliminated by Lehman (all 2,500) and also sold by United Income Fund (2,900). Great Western Financial, a participant in California's home loan and savings boom, was newly acquired by the George Putnam Fund (4,500 shares).

Sentiment Toward Oils Deteriorates

Confidence in the oil stocks deteriorated quite markedly from the previous quarters' buying (in the third quarter of 1959 market policy had been mixed).

Exceptional buying against the market trend during the past quarter was engaged in by Group Securities Common Stock Fund, which added to each of its 6 oil holdings; this following similar substantial acquisitions during the industry's roughened outlook in 1959. (Similarly, this Fund reported major acquisitions of tobacco stocks during cancer scares.) In contrast, Lehman during the past quarter reduced its portfolio ranking of the oils from first to second (with the amount of the shrinkage accentuated somewhat by their disproportionate shrinkage in market price).

Most widely sold oil issue was Sinclair, the sellers including Affiliated (35,000), Delaware (all 8,000) and Massachusetts Life (all 7,000). On the other hand, National Securities Stock was a large buyer of this issue (32,500 shares). Also importantly sold was Standard Oil (N. J.), by Wellington (40,000), Lehman (8,000) and State Street (all 7,000). Broad Street was the largest buyer of "Jersey" (27,500). Sold on balance

Continued on page 33

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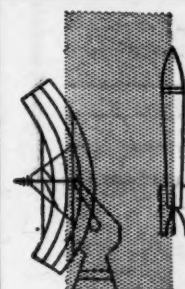
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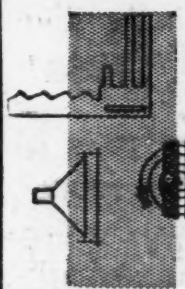
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Continued from page 31

—Bought—		—Sold—	
No. of Mgt.	No. of Shares	No. of Mgt.	No. of Shares
2(1)	41,700	None	None
2	6,000	50,000	1(1)
2	12,000	None	None
1	36,400	10,500	2
1	17,000	11,000	2
1(1)	10,000	12,581	2(1)
None	None	14,000	3(1)
None	None	19,900	3
1	25,700	7,000	2
1(1)	10,000	9,900	2
1	5,000	5,500	2
1	1,000	52,100	2(1)
None	None	4,000	2
1(1)	9,000	51,400	3
1(1)	29,000	17,100	3(1)
2(1)	37,000	25,600	4(1)
2	1,370	60,779	3(3)
1	7,600	12,000	3(1)
1	1,600	14,700	2

Public Utilities — Telephone & Telegraph

10(6)	158,940	American Tel. & Tel.	2,218	1
3(3)	21,000	Western Union	3,600	1
2	2,300	General Telephone & Electronics	45,200	5

Radio, Television and Movies

4	46,000	American Broadcast - Paramount	15,000	1(1)
5	16,836	Columbia Broadcasting	4,850	4
2(1)	6,400	Motorola	500	1
1	500	Paramount Pictures	2,000	1
2(1)	13,000	United Artists	None	None
1(1)	800	Zenith Radio	5,000	2(1)

Railroads

2	4,000	Atchison, Topeka & Santa Fe	30,000	1(1)
2	3,500	Baltimore & Ohio	None	None
2	4,000	Chicago, Rock Island & Pacific	13,200	2(1)
2(1)	1,000	Great Northern	20,700	2(1)
1	2,000	Illinois Central	8,500	1(1)
1	21,500	N. Y., Chicago & St. Louis	200	1
1	1,000	Northern Pacific	300	1
1(1)	1,500	Atlantic Coast Line	44,100	2
1	2,500	Chesapeake & Ohio	14,600	3
1	15,200	Denver & Rio Grande Western	29,400	4(1)
3(1)	11,835	Norfolk & Western	9,225	5(1)
None	None	Seaboard Air Line	23,600	2(1)
1	18,600	Southern Pacific	55,600	5(3)
3	10,600	Southern Railway	48,800	5(2)
2	5,000	Union Pacific	9,000	3(1)

Railroad Equipment

3	11,000	American Brake Shoe	None	None
1	2,000	Pullman	4,000	1

Retail Trade

3	9,200	Allied Stores	1,500	1
4(1)	21,400	Associated Dry Goods	2,200	2
4	32,300	Gimbel Bros.	2,000	1
2(1)	5,000	Grant (W. T.)	None	None
3(2)	36,250	Great Atlantic & Pacific Tea	None	None
2(1)	22,000	Montgomery Ward	5,500	1
4	4,700	Penney (J. C.)	15,900	2
2	17,200	Safeway Stores	None	None
3	19,000	Sears, Roebuck	None	None
1	1,000	Simpsons Ltd.	900	1
1	11,500	Federated Department Stores	5,000	2(1)
None	None	Jewel Tea	27,100	2(1)
1	4,750	Spiegel	29,200	2
2(1)	87,300	Woolworth (F. W.)	15,400	3(1)

Rubber and Tires

2(1)	28,000	Armstrong Rubber "A"	None	None
3(1)	1,852	General Tire & Rubber	1,600	1
3	26,600	Goodrich (B. F.)	23,800	3(1)
4	15,300	Firestone Tire & Rubber	19,654	6(1)
4	17,631	Goodyear Tire & Rubber	95,261	9
1	11,000	U. S. Rubber	35,900	2

Steel and Iron

5	30,300	Armco Steel	15,700	3(1)
3	11,500	Granite City Steel	3,500	2(1)
1(1)	10,000	Harsco	20,000	1
2(1)	16,200	Hoogovens en Staalfabrieken	None	None
2	12,900	National Steel	2,400	1
2	20,500	Sharon Steel	None	None
9	53,000	U. S. Steel	122,400	9(2)
1	7,500	Allegheny Ludlum Steel	12,600	2(1)
2	20,000	Bethlehem Steel	54,700	5(3)
None	None	Carpenter Steel	11,900	2(1)
1	6,000	Inland Steel	14,900	3(1)
2	4,000	Jones & Laughlin Steel	75,200	8(2)

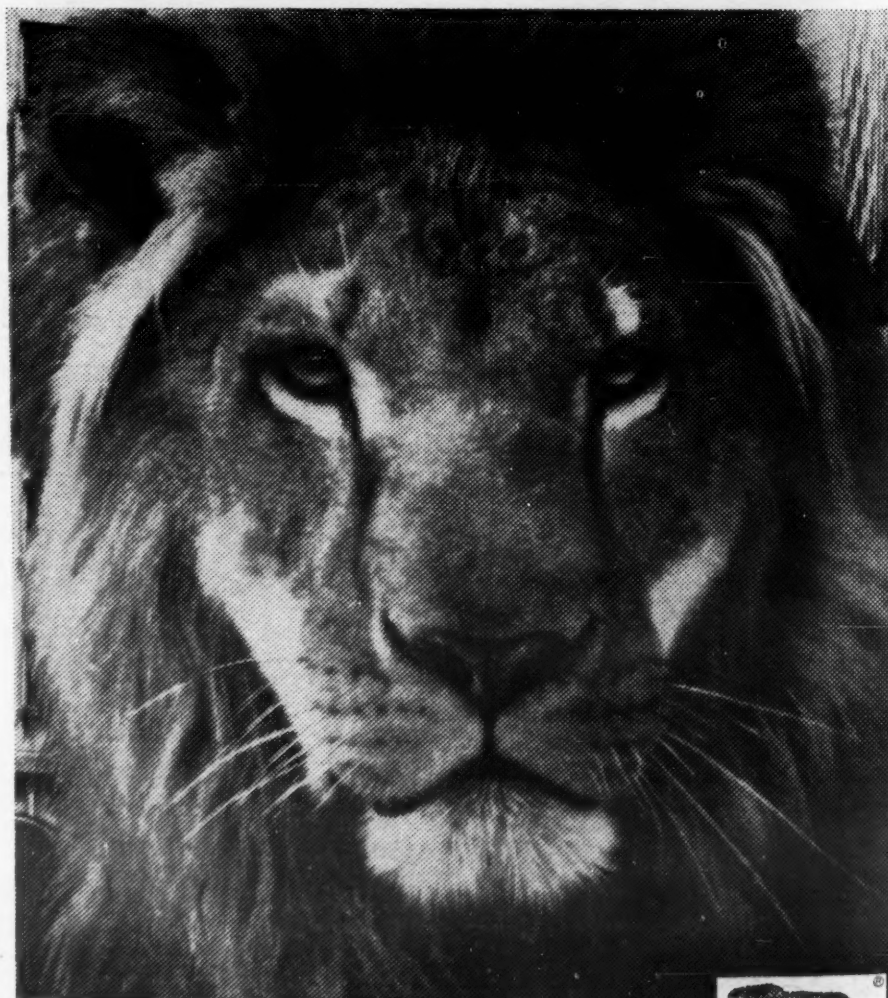
—Bought—			—Sold—	
No. of Mgt.	No. of Shares		No. of Shares	No. of Mgt.
5	25,200	Republic Steel -----	104,400	10(5)
3	5,500	Youngstown Sheet & Tube -----	33,000	6(4)
Textile and Rayon				
2	33,000	Celanese -----	6,875	2(1)
1	2,000	American Viscose -----	63,900	4
2	*11,700	Burlington Industries -----	12,600	3
Tobacco				
3(1)	12,000	American Tobacco -----	4,700	2(1)
3	21,000	Philip Morris -----	None	None
7(1)	44,200	Reynolds Tobacco -----	29,700	1
1	30,000	Lorillard (P.) -----	26,500	2(1)
Miscellaneous				
2(1)	5,600	Aeroquip -----	252	1
2	4,000	Alberta Gas Trunkline -----	None	None
2(1)	7,000	American Express -----	None	None
5(3)	35,100	American Machine & Foundry -----	None	None
2	10,000	American Optical -----	8,300	1
2(2)	4,000	American Photocopy Equipment -----	None	None
1	7,500	Anderson Clayton -----	2,000	1
2(1)	21,000	Avon Products -----	None	None
1	250	Bell & Howell -----	1,400	1(1)
2	27,900	Brown Shoe -----	None	None
2(1)	19,100	Crown Cork & Seal -----	None	None
2(1)	15,220	Donnelley (R. R.) -----	None	None
1	1,000	Dravo -----	6,000	1(1)
2(1)	53,000	Genesco -----	25,000	1(1)
8(3)	49,400	Gillette -----	None	None
2	3,000	Glidden -----	None	None
2(1)	4,300	Grinnell -----	None	None
1	2,000	Gustin-Bacon Mfg. -----	16,000	1
1	3,000	Harbison-Walker Refractories -----	1,600	1
2	13,000	Hertz -----	16,300	2
2(1)	12,000	Indiana General -----	2,500	1(1)
2(1)	17,200	Johnson & Johnson -----	4,900	1
3(1)	8,500	McKesson & Robbins -----	None	None
2	6,700	Newmont Mining -----	None	None
2	12,200	Polaroid -----	None	None
3(1)	22,900	Procter & Gamble -----	None	None
4(2)	6,100	Ranco Inc. -----	None	None
2	1,200	Shulton Inc. -----	None	None
1	2,000	Tennessee Corp. -----	8,000	1
2(1)	22,500	Unilever N. V. (ADR) -----	10,000	1
2(1)	10,000	U. S. Freight -----	None	None
2(1)	12,412	Universal Match -----	None	None
None	None	Alico Land Development† -----	2,700	2
None	None	Brunswick Corp. -----	42,000	2
None	None	Colgate-Palmolive -----	12,500	2
None	None	Eastern Industries -----	8,000	2(2)
2	13,000	Halliburton Oil Well Cementing -----	15,700	6(3)
None	None	Newport News Shipbuilding -----	10,000	2(1)
1	200	Outboard Marine -----	19,500	2(1)
None	None	Signode Steel Strapping -----	6,900	2(1)
None	None	Weyerhaeuser -----	33,200	4(2)

* Including 6,900 shares net of bond conversions and partial sale.

† Sales shown represent partial disposal following receipt of an aggregate 195,400 shares as stock dividends in spin-off from Atlantic Coast Line RR. Co.

NOTES: Purchases and sales by Wellington Fund for period from Jan. 1, 1960 through March 1, 1960 only.

Acquisitions by Broad Street Investing Corp. do not include common stocks held by Bartram Brothers Corp., a \$36,000,000 private investment company whose assets were purchased during the quarter.



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Funds Step Up Sale of Stocks As the Market Declines

Continued from page 31

also were Standard of California and Atlantic Refining. On the other hand, issues attracting buyers included Royal Dutch, Continental, and Standard Oil (Indiana). Largest Continental buyer was Dividend Shares in the Bullock Group (10,000), and of "Indiana" were Investment Trust of Boston (10,000) and Shareholders' Trust (10,000 newly). The number of buying and selling managements matched in reactionary Amerada, Socony, Sunray, and Texaco.

Retailers Somewhat Mixed

In this business group generally regarded as relatively stable, the best bought issue was Gimbel, which after the quarter's close reported record earnings. It was most heavily bought by M. I. T. (14,500) and Dreyfus (14,000), with Lehman the only seller (2,000). Sears (with 7 buyers and no sellers in the preceding quarter) was this time bought by 3 managements with no sellers. It was bought by Wellington (8,000), the Eaton & Howard Group (8,000) and M. I. T. (3,000).

Rubber and Tires Mixed

Sentiment in this group, along with the motors, deteriorated from the preceding quarter. Liquidation hit Goodyear, especially by United Funds Group (22,977), Selected American (20,600), Wellington (17,230), the Scudder Group (14,074) and Incorporated Investors (13,500); while Investors Mutual was one of the few buyers (15,201).

Textiles Continue Neglected

The traditionally cyclically-regarded textile group remained inactive. However, some substantial selling came into American Viscose, largely from Fidelity (37,500) and Selected American (24,000).

GROUPS IN DISFAVOR Airlines Descend Further

Gloom over the airlines deepened. In fact, American Airlines continued as the most widely sold of all stocks, without attracting a single buyer. Sellers of this issue included the Scudder Group (all 48,000), National Aviation (25,000), Eaton & Howard Stock (all 15,000), the Bullock Group (16,300), and Madison (10,000). Second most widely sold was Pan American, of which Lehman was the largest seller (all 30,000). The

only issue in this group bought on balance was Emery Air Freight.

Aluminums Sold

There was a remarkable stand-off in Aluminium Ltd., 8 buyers offsetting 8 sellers. Buyers included Lehman (25,000) and State Street (21,000 newly); with Wellington (33,000), Chemical Fund (30,000) and Consolidated Investment Trust (all 17,000) the largest sellers. Sellers outnumbered buyers in Alcoa, Kaiser and Reynolds. Of Alcoa, One William was the largest buyer (17,400), and Wellington the largest seller (12,800).

Mild Liquidation of Coppers

In a near-standoff in transactions in Anaconda, the buyers included the Bullock Group (17,000), Atomic Development (6,300) and Delaware (6,000); while the Tri Group was by far the largest seller (34,900). Selling hit Kennecott, coming largely from M. I. T. (25,700) and Fidelity (all 6,500). There was no buyer of this cyclical issue. Fidelity was also the largest seller of Phelps Dodge (14,900).

Rails' Buying Declines

Interest in the carriers declined from their "buy status" of the preceding quarter. Most heavily sold on balance was Southern Pacific, by deVegh (all 27,000). Loomis-Sayles, and General Investors; with Investors Mutual the only buyer of this issue (18,600).

Steels Again Sold

The steel industry, in the surprising strike-aftermath of early sub-capacity operating rates, entailed fund liquidation carrying over from the preceding quarter. Most widely sold issue was Jones & Laughlin, which, in fact, was the fourth most widely sold of all stocks surveyed. Its 8 sellers included Wellington (27,000) and United Accumulative (all 20,000) as the largest. There was also considerable selling on balance in Republic, especially by Wellington (26,300), Fidelity (21,600), Incorporated Investors (15,200) and Dominick (all 10,000). Bethlehem was sold by Fidelity, Dominick, New England, and Guardian; while bought only by Broad Street and Delaware. In "Big Steel" the buyers matched the sellers, the largest buyer being Dividend Shares in the Bullock Group (20,000) and the largest

sellers Wellington (54,000), and Fidelity (37,500).

ATTITUDE TOWARD MISCELLANEOUS ISSUES

Gillette continued a big favorite; in fact, was the fourth most widely bought of all issues. American Machine & Foundry attracted 5 buying managements, including 3 newly, with also no selling of this issue. There was an unfavorable disposition towards Halliburton Oil Well Cementing, with 6 sellers and 2 buyers; and toward Weyerhaeuser which was sold by 4 managements (including close-outs by Putnam and United Science) and which encountered no buying interest.

Analysts' Convention to Hear Leaders

Top executives of more than 40 "blue chip" corporations will address the 13th annual convention of the National Federation of Financial Analysts here this month, it was announced by George F. H. Nelson, general chairman.

Some 2,000 brokers, investment bankers and security analysts are expected to attend the five-day meeting at the Waldorf-Astoria Hotel May 14-18. The convention will include two full days of speeches, forums and panel discussions May 16 and 17 when leading representatives of 15 basic industries will discuss the business outlook for the decade of the '60s.

Included on the list of guest speakers are six board chairmen, eighteen presidents and more than a dozen vice presidents, economists and financial officers of major companies whose fields range from aviation and electronics to retailing, railroads and steel. Robert C. Sprague, chairman of the Sprague Electric Company of North Adams, Mass. and former government defense official, will address the annual dinner May 17 on "Electronics and National Defense."

Among those scheduled to speak at the industry forums are Logan T. Johnston, president of Armco Steel Corporation; Charles H. Kellstadt, chairman of Sears, Roebuck & Company; Frank L. Magee, president of Aluminum Company of America, and Gardiner Symonds, chairman and president of Tennessee Gas Transmission Company.

Dexter M. Keezer, vice president and director of the economics department of the McGraw-Hill Publishing Company, will address a general session at 9:30 a.m. May

16 on "New Business Forces in the Sixties."

The industry forums will start at 2:30 p.m. on Monday, May 16 when five group discussions will be held concurrently. Speakers at the Monday afternoon forums will include representatives of the chemical, steel, public utilities, aviation and retail trade industries.

Scheduled for Tuesday, May 17 at 10:00 a.m. are separate forums on the electrical equipment and instrumentation industry and the drug, paper, construction and surface transportation industries. The agenda for 2:30 p.m. May 17 will include forums on the non-ferrous metals, petroleum, automotive, food and insurance industries. The automotive forum will feature top officers of leading automobile, truck and tire manufacturing firms.

The first two days of the convention will be given over to committee meetings and social events and the final day—May 18—to field trips. "Host" companies for the field trips will include the American Telephone & Telegraph Company, American Smelting & Refining Company, Eastman Kodak Company, General Dynamics Corporation, International Business Machines Corporation, Radio Corporation of America, Standard Oil Company (New Jersey), Union Carbide Corporation, United States Gypsum Company, United States Steel Corporation, Western Union Telegraph Company and the Pennsylvania Railroad.

The National Federation of Financial Analysts Societies includes security analyst groups in Baltimore, Boston, Chicago, Cincinnati, Cleveland, Dallas, Denver, Detroit, Houston, Indianapolis, Los Angeles, Montreal, New York, Omaha-Lincoln, Minneapolis-St. Paul, Philadelphia, St. Louis and San Francisco, and Kansas City, Mo.; Providence, R. I.; Richmond, Va.; Rochester, N. Y. and Washington, D. C.

Mr. Nelson, the convention chairman, is assistant to the vice president in charge of investments for the United States Steel & Carnegie Pension Fund. The New York Society of Security Analysts is in charge of convention arrangements.

Megadyne Elect. Stock Offered

The Glenn Arthur Company, Inc., of New York City, on April 21 publicly offered 260,000 shares of Megadyne Electronics, Inc. common stock (par 10 cents) at \$1 per share as a speculation.

Of the net proceeds of \$215,200, \$18,000 will be used for additional manufacturing equipment; \$18,000 for additional research and test equipment; \$15,000 for engineering costs, ultrasonic cleaning equipment and ultrasensitive analyzer; \$18,000 for general engineering costs; \$30,000 for inventory, raw material, products in process of manufacturing and completed; \$25,000 for publicity, instruction of salesmen, printing of sales literature, advertising, an initiation of marketing program; and \$70,200 for working capital.

The corporation was formed to engage and specialize in the design, manufacture, and sale of magnetic components of electronic equipment smaller in size and weight than components frequently used in such equipment.

Form Royal Securities

(Special to THE FINANCIAL CHRONICLE)
LOS ANGELES, Calif. — Royal Securities, Inc., has been formed with offices at 6399 Wilshire Boulevard to engage in a securities business. Officers are Monroe Gersten, president; Edward R. Roybal, secretary; and Mitchell E. Livingston, treasurer.



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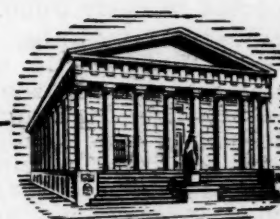
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NEW ISSUE CALENDAR

May 6 (Friday)

Automation Systems, Inc.	Common
(B. Fennekohl & Co., Inc.) \$150,000	
Dubois Chemicals, Inc.	Common
(Allen & Co.) 200,000 shares	
Holt, Rinehart & Winston, Inc.	Common
(Goldman, Sachs & Co.; Allen & Co. and Shearson, Hammill & Co.) 331,740 shares	
New Jersey Natural Gas Co.	Debentures
(Offering to stockholders—underwritten by Allen & Co.) \$3,830,000	
Pacemaker Boat Trailer Co., Inc.	Common
(Jacey Securities Co. and First City Securities, Inc.) \$300,000	
Premier Industrial Corp.	Common
(A. G. Becker & Co., Inc.) 212,500 shares	
Squan Marina, Inc.	Common
(B. Fennekohl & Co.) \$300,000	
Teletray Electronic Systems, Inc.	Common
(Miller & Co., Inc.) \$456,000	
Weldotron Corp.	Common
(Arnold Malkin & Co., Inc. and Street & Co., Inc.) \$199,998	

May 9 (Monday)

All-State Properties, Inc.	Capital
(Offering to stockholders—underwritten by Bear, Stearns & Co. and Allen & Co.) 870,132 shares	
Alterman-Big Apple, Inc.	Common
(Van Alstyne, Noel & Co.) \$7,259,580	
American Bowling Enterprises, Inc.	Common
(Myron A. Lomasney & Co.) 100,000 shares	
American Bowling Enterprises, Inc.	Warrants
(Myron A. Lomasney & Co.) 100,000 warrants	
American Penn Life Insurance Co.	Capital
(Offering to stockholders—no underwriting) \$3,570,000	
American Security Corp.	Capital
(Alex Brown & Sons; Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc.; Johnston, Lemon & Co. and Kidder, Peabody & Co.) 100,000 shares	
Cabana Pools, Inc.	Common
(Mandell & Kahn, Inc.) \$300,000	
Circuitronics, Inc.	Common
(Lloyd, Miller & Co.) \$300,000	
Cosnat Record Distributing Corp.	Common
(Mortimer B. Burnside & Co., Inc.) \$300,000	
Durox of Minnesota, Inc.	Bonds
(Irving J. Rice & Co., Inc. and M. H. Bishop & Co.) \$650,000	
Durox of Minnesota, Inc.	Common
(Irving J. Rice & Co., Inc. and M. H. Bishop & Co.) 120,000 shares	
Dynamic Films, Inc.	Common
(Morris Cohen & Co.) \$300,000	
Electrada Corp.	Common
(Bache & Co.) 400,000 shares	
Englehard Industries, Inc.	Common
(Dillon, Read & Co., Inc. and Lazard Freres & Co.) 400,000 shares	
Ets-Hokin & Galvan, Inc.	Common
(Van Alstyne, Noel & Co.) \$1,325,000	
Federal Steel Corp.	Common
(Westheimer & Co.) \$295,000	
First National Realty & Construction Corp.	Pfd.
(H. Hentz & Co.) 150,000 shares	
First National Realty & Construction Corp.	Com.
(H. Hentz & Co.) 150,000 shares	
First National Realty & Construction Corp.	War.
(H. Hentz & Co.) 150,000	
Forest City Enterprises, Inc.	Common
(Bache & Co.) 450,000 shares	
Forest Hills Country Club Ltd.	Common
(Jerome Robbins & Co.) \$300,000	
Friendly Frost Inc.	Common
(No underwriting) \$1,125,000	
FXR, Inc.	Debentures
(C. E. Unterberg, Towbin Co.) \$2,000,000	
Gem International, Inc.	Common
(Bosworth, Sullivan & Co., Inc. and Scherck, Richter Co.) 150,000 shares	
Growth Capital, Inc.	Common
(McDonald & Co. and Paine, Webber, Jackson & Curtis) \$10,000,000	
Integrand Corp.	Common
(Palombi Securities Co., Inc.) \$5340,000	
Ionic, Inc.	Common
(Lee Higginson Corp.; Shields & Co. and C. E. Unterberg, Towbin Co.) 75,000 shares	
Keystone Electronics Co., Inc.	Common
(J. A. Winston & Co., Inc. and Netherlands Securities, Inc.) \$600,000	
Majestic Specialties, Inc.	Common
(Hayden, Stone & Co.) 150,000 shares	
Marquette Corp.	Common
(Carl M. Loeb, Rhoades & Co. and Piper, Jaffray & Hopwood) 461,431 shares	
Maryland Credit Finance Corp.	Common
(Alex Brown & Sons) 28,250 shares	
Mays (J. W.), Inc.	Common
(Merrill Lynch, Pierce, Fenner & Smith, Inc.) 317,500 shares	
Monarch Tile Manufacturing, Inc.	Common
(Rauscher, Pierce & Co., Inc.) 58,337 shares	
National Lawn Service Corp.	Common
(Fund Planning Inc.) \$300,000	
OK Rubber Welders, Inc.	Common
(Bosworth, Sullivan & Co., Inc.) 50,000 shares	
Otarion Listener Corp.	Common
(D. A. Lomasney & Co.) \$567,000	
Pennsylvania Electric Co.	Bonds
(Bids 12 noon EDT) \$12,000,000	
Pyramid Mouldings, Inc.	Common
(A. C. Allyn & Co., Inc. and Shillinglaw, Bolger & Co.) \$1,738,000	
Reliance Manufacturing Co.	Common
(Glore, Forgan & Co.) 150,000 shares	
Renner, Inc.	Common
(Stroud & Co., Inc.) \$300,000	
Ritter Finance Co., Inc.	Debentures
(Stroud & Co., Inc.) \$1,500,000	
Schaevitz Engineering	Common
(Woodcock, Moyer, Fricke & French, Inc.) \$300,000	
Spring Street Capital Co.	Common
(William R. Staats & Co.) 3,000 shares	

Straza Industries	Capital
(J. A. Hogle & Co.) 230,000 shares	
Superior Electric Co.	Common
(Lee Higginson Corp.) 150,000 shares	
Telectro Industries Corp.	Debentures
(Milton D. Blauner & Co., Inc.) \$1,000,000	
Teleregister Corp.	Debentures
(Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros.) \$6,000,000	
Teleregister Corp.	Common
(Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros.) 240,000 shares	
United States Boat Corp.	Common
(Richard Bruce & Co., Inc.) \$700,000	
Uranium Reduction Co.	Common
(A. C. Allyn & Co., Inc.) 200,000 shares	
Uris Buildings Corp.	Debentures
(Kuhn, Loeb & Co.) \$20,000,000	
Uris Buildings Corp.	Common
(Kuhn, Loeb & Co.) 400,000 shares	
Whitmoyer Laboratories, Inc.	Common
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) \$510,000	
Whitmoyer Laboratories, Inc.	Debentures
(Hallowell, Sulzberger, Jenks, Kirkland & Co.) \$500,000	
Zero Manufacturing Co.	Common
(Shields & Co.) 200,000 shares	

May 10 (Tuesday)

Chemical Packaging Co., Inc.	Common
(Mainland Securities Corp. and Jeffrey-Robert Corp.) \$287,500	
Dial Finance Co.	Common
(White, Weld & Co., Inc.) 300,000 shares	
General American Transportation Corp.	Equip. Trust Cfs.
(Kuhn, Loeb & Co.) \$30,000,000	
Goelet Corp.	Debentures
(Ross, Lyon & Co., Inc. and Globus, Inc.) \$700,000	
Goelet Corp.	Common
(Ross, Lyon & Co., Inc. and Globus, Inc.) 70,000 shares	
Goelet Corp.	Warrants
(Ross, Lyon & Co., Inc. and Globus, Inc.) 35,000	
National Packaging Corp.	Common
(First Securities Corp.) \$360,000	
New Jersey Aluminum Extrusion Co., Inc.	Capital
(Laird & Co. Corp.) 110,000 shares	
Raymond Corp.	Common
(George D. B. Bonbright & Co.) \$300,000	
Southern Nevada Telephone Co.	Preferred
(Dean Witter & Co.) 100,000 shares	
Vulcatron Corp.	Common
(P. de Rensis & Co., Inc.) \$300,000	
Wisconsin Telephone Co.	Debentures
(Bids 11:00 a.m. DST) \$20,000,000	

May 11 (Wednesday)

Crawford Corp.	Common
(A. G. Becker & Co., Inc.) 200,000 shares	
Deltown Foods, Inc.	Common
(A. G. Becker & Co., Inc.) 115,000 shares	

May 12 (Thursday)

California Electric Power Co.	Bonds
(Bids 9 a.m. PST) \$12,000,000	
Major Pool Equipment Corp.	Common
(Hill, Thompson & Co., Inc.) \$292,500	

May 13 (Friday)

Moore-McCormack Lines, Inc.	Bonds
(Kuhn, Loeb & Co. and Lehman Brothers) \$10,000,000	

May 16 (Monday)

Ald, Inc.	Common
(Dean Witter & Co.) 335,880 shares	
American Stereophonic Corp.	Common
(D. H. Victor & Co., Inc.) \$100,000	
Audion-Emenee Corp.	Common
(Pistell, Schroeder & Co., Inc. and Bertner Bros.) 100,000 shares	
Aviation Employees Corp.	Common
(G. J. Mitchell Jr. Co. and Ralph B. Leonard & Sons, Inc.) \$5,000,000	
Beltone Recording Corp.	Common
(A. J. Gabriel Co., Inc.) \$300,000	
Bevis Shell Homes, Inc.	Debentures
(Bell & Hough, Inc. and G. H. Walker & Co.) \$1,600,000	
Bevis Shell Homes, Inc.	Common
(Bell & Hough, Inc. and G. H. Walker & Co.) 1,000,000 shares	
Big Laurel, Inc.	Common
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares	
Big Laurel, Inc.	Preferred
(Pearson, Murphy & Co., Inc. and Mackay & Co.) 400,000 shares	
Custom Craft Marine Co., Inc.	Common
(R. A. Holman & Co., Inc.) \$255,000	
Doak Pharmacal Co., Inc.	Common
(Ross Securities, Inc.) \$300,000	
Dymo Industries, Inc.	Capital
(William R. Staats & Co.) 150,000 shares	
Electronic Assistance Corp.	Common
(Amos Treat & Co., Inc.) 152,698 shares	
Farrington Manufacturing Co.	Debentures
(Cyrus J. Lawrence & Sons and Brawley, Cathers & Co.) \$6,000,000	
Federated Electronics, Inc.	Common
(J. B. Ceburn Associates, Inc.) \$300,000	
Founders Mutual Depositor Corp.	Common
(Hecker & Co.) \$292,500	
General Shale Products Corp.	Common
(Equitable Securities Corp.) 220,605 shares	
Great American Realty Corp.	Debentures
(Louis L. Rogers Co. and Hilton Securities, Inc.) \$2,000,000	
Great American Realty Corp.	Class A
(No underwriting) 110,000 shares	
Hamilton Management Corp.	Common
(Kidder, Peabody & Co.) 320,000 shares	
Hampshire Gardens Associates	Units
(B. C. Morton & Co., Inc.) \$376,000	
Hawley Products Co.	Common
(Dean Witter & Co.) 90,000 shares	
Hydra-Power Corp.	Debentures
(Aetna Securities Corp. and D. Gleich Co.) \$600,000	

Aero Industries, Inc. (5/23-27)
March 11 filed 250,000 shares of common stock (par 25 cents). Price — \$3.30 per share. Proceeds — For new equipment, expansion of the business, and general corporate purposes. Office—Pottstown, Pa. Underwriter—Myron A. Lomasney & Co. of New York City.

• **Agricultural Research Development, Inc.**
Jan. 25 filed 200,000 shares of common stock (par 10 cents). Price—\$5 per share. Proceeds—To purchase land, to construct buildings, and provide necessary equipment and capital to engage in a hog raising enterprise. Office—Wiggins, Colo. Underwriter—W. Edward Tague Co., Pittsburgh, Pa. Note—The underwriter states that this statement has been withdrawn.

★ **Airport Parking Co. of America (6/13-17)**
April 27 filed 42,574 shares of class A common stock (no par), including 25,000 shares to be issued and sold by the company and 17,574 shares which are outstanding and will be offered by the holders thereof. Price — To be supplied by amendment. Proceeds—Primarily for various leasehold improvements. Office—1308 Prospect Ave., Cleveland, Ohio. Underwriters—L. F. Rothschild & Co., New York, and Murch & Co., Inc., Cleveland, Ohio.

Alaska Empire Gold Mining Co.
April 12 (letter of notification) \$300,000 of 6% income notes to be offered in multiples of \$100 each. Price—At face value. Proceeds—For mining expenses. Address—Juneau, Alaska. Underwriter — Stauffer Investment Service, 1206 N. W. 46th Street, Oklahoma City, Okla.

★ **Ald, Inc. (5/16-20)**
April 28 filed 335,880 shares of common stock (par \$1), of which 210,880 shares are outstanding and will be offered for the account of the holders thereof and 125,000 will be issued and sold by the company. Price—To be supplied by amendment. Proceeds—For additional working capital. Office—7045 North Western Ave., Chicago, Ill. Underwriter—Dean Witter & Co., Chicago and New York.

• **All-State Properties, Inc. (5/9-13)**
March 17 filed 870,132 shares of capital stock, to be offered for subscription by holders of outstanding shares of such stock. Price—To be supplied by amendment. Proceeds—To reduce current indebtedness and for future operations. Office—Floral Park, L. I., N. Y. Underwriters—Bear, Stearns & Co. and Allen & Co., both of New York City.

★ **Alsie, Inc.**
April 28 filed 300,000 shares of common stock (no par). Price—To be supplied by amendment. Proceeds—Together with an additional sum of \$6,000,000 to be borrowed for institutional lenders, will be used to provide consumer financing for the company's products by purchasing consumer paper from the company's distributors and dealers. Office—1415 Waterloo Road, Akron, Ohio. Underwriter—Reynolds & Co., Inc., New York. Offering—Expected in early June.

Alterman-Big Apple, Inc. (5/9-13)
March 18 filed 403,310 shares of common stock (par \$2.50), of which 60,000 shares are to be offered for public sale on behalf of the issuing company. Of the remaining 343,310 shares (all outstanding), 168,310 are to be offered by Bankers Securities Corp. and 175,000 by certain other individuals. Price—\$18 per share. Proceeds—To repay indebtedness, for working capital and other corporate purposes. Office—933 Lee St., S. W., Atlanta, Ga. Underwriter—Van Alstyne, Noel & Co., New York.

• **American Bowla-Bowla Corp.**
April 15 filed 100,000 shares of common stock and warrants for the purchase of an additional 50,000 shares. The company proposes to offer these securities for public sale in units consisting of two shares of stock (par 25 cents) and one warrant. Price—\$6.25 per unit. Proceeds—To cover an initial installment on the purchase price of two additional bowling centers; for furniture and fixtures thereon; and the balance to be added to working capital and be available for general corporate purposes. Office—400 38th St., Union City, N. J. Underwriter—Hill, Thompson & Co., Inc., New York. Offering—Expected in early June.

• **American Bowling Enterprises, Inc. (5/9-11)**
Feb. 25 filed 100,000 shares of common stock (par \$1), and 100,000 class A purchase warrants, to be offered in units of one warrant with each share. The class A warrants give the right to purchase the stock at \$7.50 per share for the first six months, at \$8.50 per share from the seventh to the 24th month, and at \$9 per share from the 25th to the 30th month. Price—\$7.50 per unit. Proceeds—For the construction of new bowling centers. Office — Rochester, N. Y. Underwriter — Myron A. Lomasney & Co., New York City.

★ **American Enka Corp.**
May 3 filed 75,000 shares of common stock to be issued pursuant to the company's stock option plan for key employees. The shares in registration include 8,554 shares which have been delivered on the exercise of option, 45,571 shares subject to outstanding or authorized option and 20,875 shares available for the grant of additional options. Office—Enka, N. C.

• **American Frontier Life Insurance Co. (5/31-6/3)**
Nov. 30 filed 200,000 shares of capital stock. Price—\$8 per share. Proceeds—To increase capital and surplus. Office—1455 Union Ave., Memphis, Tenn. Underwriter—Union Securities Investment Co., also of Memphis, which will receive a selling commission of \$1.20 per share.

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IC Inc. (Purvis & Co. and Amos C. Sudler & Co.)	Common	\$1,500,000
Kenrich Petrochemicals, Inc. (First Philadelphia Corp.)	Common	\$192,500
Kenrich Petrochemicals, Inc. (First Philadelphia Corp.)	Debentures	\$175,000
Magnin (Joseph) Co., Inc. (F. S. Smithers & Co.)	Debentures	\$1,250,000
Magnin (Joseph) Co., Inc. (F. S. Smithers & Co.)	Common	78,000 shares
Medallion Pictures Corp. (Hancock Securities Corp.)	Debentures	\$300,000
Missile Electronics, Inc. (Pleasant Securities Co.)	Common	\$643,500
Mister Service, Inc. (Jacey Securities Co.)	Common	\$160,000
Newark Electronics Corp. (H. M. Byllesby & Co., Inc.)	Common	200,000 shares
Pendleton Tool Industries, Inc. (Kidder, Peabody & Co. and McDonald & Co.)	Common	50,000 shares
Rajac Self-Service, Inc. (Walter R. Blaha & Co., Inc.)	Common	\$300,000
Service Instrument Corp. (Pearson, Murphy & Co., Inc.)	Common	\$300,000
Sire Plan of Normandy Isle, Inc. (Sire Plan Portfolios, Inc.)	Debentures	\$225,000
Sire Plan of Normandy Isle, Inc. (Sire Plan Portfolios, Inc.)	Preferred	4,500 shares
Smilen Food Stores, Inc. (Federman, Stonehill & Co.)	Common	200,000 shares
Spartans Industries, Inc. (Shearson, Hammill & Co. and J. C. Bradford & Co.)	Common	120,000 shares
Thermal Industries of Florida, Inc. (Peter Morgan & Co.)	Common	\$720,000
United Components, Inc. (Darius, Inc.)	Common	110,000 shares
United Financial Corp. of California (Lehman Brothers)	Debentures	\$6,000,000
United Financial Corp. of California (Lehman Brothers)	Capital	120,000 shares
Vector Manufacturing Co., Inc. (Paine, Webber, Jackson & Curtis)	Common	250,000 shares
Viewlex, Inc. (Stanley Heller & Co.)	Class A	\$800,000
Wells Industries Corp. (A. T. Brod & Co.)	Common	300,000 shares
May 17 (Tuesday)		
Milwaukee Gas Light Co. (Bids 11 a.m. EDT)	Bonds	\$22,000,000
Telecomputing Corp. (Dean Witter & Co.)	Common	100,000 shares
May 18 (Wednesday)		
General Atronics Corp. (Harrison & Co.)	Common	\$544,810
New York Central RR. (Bids noon EDT)	Equip. Trust Cfts.	\$4,590,000
Southwest Forest Industries, Inc. (White, Weld & Co.)	Common	360,000 shares
Southwest Forest Industries, Inc. (White, Weld & Co.)	Debentures	\$12,000,000
May 19 (Thursday)		
Harburton Financial Corp. (Simmons, Rubin & Co., Inc.)	Common	\$298,500
May 23 (Monday)		
Aero Industries, Inc. (Myron A. Lomasney & Co.)	Common	\$825,000
American International Aluminum Corp. (Hardy & Co. and Filor, Bullard & Smyth)	Common	400,000 shares
Anken Chemical & Film Corp. (Offering to stockholders—underwritten by R. W. Pressprich & Co. and Riter & Co.)	Common	145,703 shares
Deluxe Aluminum Products, Inc. (R. A. Holman & Co., Inc.)	Common	\$350,000
Deluxe Aluminum Products, Inc. (R. A. Holman & Co., Inc.)	Debentures	\$330,000
Dynatron Electronics Corp. (General Securities Co., Inc.)	Common	\$100,000
Figurette, Ltd. (Myron A. Lomasney & Co.)	Common	\$600,000
Florida Builders, Inc. (Jaffee & Co.)	Common	80,000 shares
General Aeromation, Inc. (Westheimer & Co.)	Common	\$253,350
Glass Magic Boats, Inc. (R. A. Holman & Co., Inc.)	Common	68,000 shares
Glass Magic Boats, Inc. (R. A. Holman & Co., Inc.)	Debentures	\$51,000
Hudson Vitamin Products, Inc. (Bear, Stearns & Co.)	Common	212,500 shares
Litecraft Industries, Ltd. (P. W. Brooks & Co.)	Debentures	\$750,000
Miller & Van Winkle Co. (Whitmore, Bruce & Co.)	Class A	\$225,000
Obear-Nester Glass Co. (Merrill Lynch, Pierce, Fenner & Smith, Inc.)	Common	210,045 shares

Ott Chemical Co. (Offering to stockholders—underwritten by H. M. Byllesby & Co., Inc.)	Debentures	\$450,000
Pacific Panel Co. (Frank Karasik & Co., Inc.)	Common	\$450,000
Pacific Vegetable Oil Corp. (Dean Witter & Co. and Hooker & Fay, Inc.)	Debentures	\$2,500,000
Piper Aircraft Corp. (The First Boston Corp.)	Common	100,000 shares
Precision Circuits, Inc. (Myron A. Lomasney & Co.)	Common	37,500 shares
Precision Circuits, Inc. (Myron A. Lomasney & Co.)	Debentures	\$250,000
Security Industrial Loan Association (Lee Higginson Corp.)	Debentures	\$500,000
Security Industrial Loan Association (Lee Higginson Corp.)	Common	50,000 shares
Sierra Electric Corp. (Marron, Sloss & Co., Inc.)	Common	\$900,000
Simmonds Precision Products, Inc. (Shearson, Hammill & Co.)	Common	112,500 shares
Trans Tech Systems, Inc. (Myron A. Lomasney & Co.)	Common	\$650,000
May 24 (Tuesday)		
Arizona Public Service Co. (Offering to stockholders—underwritten by The First Boston Corp. and Blyth & Co., Inc.)	Common	333,400 shares
Food Fair Stores, Inc. (Eastman Dillon, Union Securities & Co. and A. M. Kidder & Co.)	Common	168,833 shares
Jersey Central Power & Light Co. (Bids 11:00 a.m. N. Y. time)	Bonds	\$7,000,000
National Old Line Life Insurance Co. (Equitable Securities Corp.)	Common	128,329 shares
May 25 (Wednesday)		
Coca-Cola Bottling Co. of New York, Inc. (Eastman Dillon, Union Securities & Co.)	Com.	298,204 shares
Missouri Pacific RR. (Bids to be invited)	Equip. Trust Cfts.	\$3,975,000
Texas Eastern Transmission Corp. (Dillon, Read & Co., Inc.)	Debentures	\$25,000,000
May 26 (Thursday)		
Dynex, Inc. (Myron A. Lomasney & Co.)	Common	54,000 shares
Lite-Vent Industries, Inc. (Peter Morgan & Co.)	Common	\$520,000
May 27 (Friday)		
North Central Co. (No underwriting)	Common	420,945 shares
May 31 (Tuesday)		
American Frontier Life Insurance Co. (Union Securities Investment Co.)	Capital	\$1,600,000
Bruce National Enterprises, Inc. (George, O'Neill & Co., Inc.)	Common	\$2,010,000
Brush Beryllium Co. (Kuhn, Loeb & Co. and McDonald & Co.)	Common	410,206 shares
Continental Capital Corp. (McDonnell & Co.)	Capital	\$3,290,000
Dalto Corp. (No underwriting)	Common	134,739 shares
Elco Corp. (S. D. Fuller & Co.)	Common	87,809 shares
Elco Corp. (S. D. Fuller & Co.)	Warrants	82,065
Elco Corp. (S. D. Fuller & Co.)	Debentures	\$1,000,000
Florida Power & Light Co. (Bids 3:45 p.m. EDT)	Common	400,000 shares
Futterman Corp. (Reynolds & Co.)	Class A	660,000 shares
Harvey Aluminum, Inc. (Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day)	Common	750,000 shares
Henderson's Portion Pak, Inc. (Burnham & Co.)	Common	200,000 shares
Mattel, Inc. (Bache & Co.)	Common	300,000 shares
McGowen Glass Fibers Corp. (Simmons, Rubin & Co., Inc.)	Common	\$300,000
Namm-Loeser's Inc. (Offering to stockholders—Underwritten by Ladenburg, Thalmann & Co.)	Common	217,278 shares
National Cash Register Co. (Dillon, Read & Co., Inc.)	Debentures	\$40,000,000
Pacific Coast Properties, Inc. (Bear, Stearns & Co.)	Common	1,692,466 shares
Patrick County Canning Co., Inc. (G. Everett Parks & Co., Inc.)	Common	\$420,000
Pioneer Metals, Inc. (Hancock Securities Corp.)	Common	\$300,000

Reeves Broadcasting & Development Corp. (Laird & Co. Corp.)	Com.	\$2,336,960
Republic Graphics Inc. (Arrin & Co., Inc.; T. M. Kirsch & Co. and Robert A. Martin Associates, Inc.)	Common	\$300,000
Safticraft Corp. (George, O'Neill & Co., Inc.)	Common	\$825,000
Swimming Pool Development Co., Inc. (Marron, Sloss & Co., Inc.)	Common	\$1,250,000
Wallace Properties, Inc. (Harriman Ripley & Co., Inc.)	Common	360,000 shares
Wallace Properties, Inc. (Harriman Ripley & Co., Inc.)	Debentures	\$12,000,000
Waltham Precision Instrument Co., Inc. (Offering to stockholders—underwritten by Schweickart & Co.)	Common	700,000 shares

June 1 (Wednesday)		
Michigan Wisconsin Pipe Line Co. (Bids to be invited)	Bonds	\$30,000,000
Southwest Indemnity & Life Insurance Co. (Offering to stockholders—no underwriting)	Com.	238,590 shares

June 2 (Thursday)		
Southern Electric Generating Co. (Bids to be invited)	Bonds	\$40,000,000

June 6 (Monday)		
Chemo-Vive Processes, Inc. (General Investing Corp.)	Common	\$150,000
Chemtree Corp. (Havener Securities Corp.)	Common	\$262,750
Illinois Beef, L. & W. S., Inc. (Amos Treat & Co., Inc.)	Common	\$2,600,000

June 7 (Tuesday)		
Northwestern Bell Telephone Co. (Bids to be invited)	Debentures	\$45,000,000
Washington Gas Light Co. (Bids 11:30 a.m. EDT)	Bonds	\$12,000,000

June 8 (Wednesday)		
Savannah Newspapers, Inc. (Johnson, Lane, Space Corp.)	Common	\$2,520,000

June 13 (Monday)		
Airport Parking Co. (L. F. Rothschild & Co. and Murch & Co., Inc.)	Common	42,574 shares
General Drive-In Corp. (Paine, Webber, Jackson & Curtis)	Common	180,000 shares
Warren Industries, Inc. (Merritt, Vickers, Inc.)	Common	\$525,000

June 14 (Tuesday)		
Consolidated Edison Co. of New York (Bids to be received)	Bonds	\$50,000,000

June 20 (Monday)		
General Sales Corp. (B. Fennekohl & Co., Inc.)	Common	90,000 shares
Gulf States Utilities Co. (Bids to be invited)	Bonds	\$17,000,000
Laboratory For Electronics, Inc. (Offering to stockholders—underwritten by Paine, Webber, Jackson & Curtis)	Common	100,000 shares

July 6 (Wednesday)		
Illinois Bell Telephone Co. (Bids to be invited)	Bonds	\$50,000,000

July 7 (Thursday)		
Gulf Power Co. (Bids to be invited)	Preferred	\$5,000,000
Gulf Power Co. (Bids to be invited)	Bonds	\$5,000,000

July 13 (Wednesday)		
Northern Illinois Gas Co. (Bids to be invited)	Bonds	\$25,000,000

July 19 (Tuesday)		
New Jersey Power & Light Co. (Bids to be invited)	Bonds	\$6,000,000

August 9 (Tuesday)		
Southwestern Bell Telephone Co. (Bids to be invited)	Debentures	\$100,000,000

September 13 (Tuesday)		
Virginia Electric & Power Co. (Bids to be invited)	Bonds	\$25,000,000

September 27 (Tuesday)		
Indianapolis Power & Light Co. (Bids to be invited)	Bonds	\$12,000,000

October 18 (Tuesday)		
Louisville Gas & Electric Co. (Bids to be invited)	Bonds	\$16,000,000

November 3 (Thursday)		
Georgia Power Co. (Bids to be invited)	Bonds	\$17,000,000

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American International Aluminum Corp. (5/23-27)
April 13 filed 400,000 shares of common stock (par 25c). Price—To be supplied by amendment. Proceeds—For general corporate purposes and working capital. Office—4851 N. W. 36th Ave., Miami, Fla. Underwriters—Hardy & Co. and Filor, Bullard & Smyth, both of New York.

American Mortgage Investment Corp.
April 29 filed 1,800,000 of 4% 20-year collateral trust bonds and 1,566,000 shares of class A non-voting common stock. It is proposed that these securities will be offered for public sale in units (2,000) known as Investment Certificates, each representing \$900 of bonds and 783 shares of stock. Price—\$1,800 per unit. Proceeds—To be used principally to originate mortgage loans and carry them until market conditions are favorable for disposition. Office—210 Center St., Little Rock, Ark. Underwriter—Amico, Inc.

American Penn Life Insurance Co. (5/9-13)
March 30 filed registration of 127,500 shares of capital stock (par \$10) to be offered for subscription by stock-

holders of record on April 28, 1960 with rights to expire 30 days from offering date. Subscription rate on 105,000 shares of the stock will be three additional shares for each one share held. Of the remaining 22,500 shares the offering will be on the basis of nine shares for each 14 shares held, and all unsold shares of this block will be offered under warrants granted in accordance with the company's Agent's Stock Option Plan. Price—\$28 per share. Proceeds—To increase capital and surplus. Office—203 S. 15th St., Philadelphia, Pa. Underwriter—None.

American Photocopy Equipment Co.
April 28 filed 45,000 shares of common stock, issuable upon exercise of options granted under the company's restricted stock option plan. Office—2100 West Dempster St., Evanston, Ill.

American Properties Corp.
April 21 (letter of notification) 10,000 shares of common stock. Price—At par (\$1 per share). Proceeds—To operate and maintain real estate that is to be purchased by the company. Office—1240 First Security Bank Bldg., Salt Lake City, Utah. Underwriter—None.

American & St. Lawrence Seaway Land Co.
Jan. 27 filed 538,000 shares of common stock, of which 350,000 shares are to be publicly offered. Price—\$3 per share. Proceeds—To pay off mortgages, develop and improve properties, and acquire additional real estate. Office—60 E. 42nd St., New York City. Underwriter—A. J. Gabriel Co., Inc., New York City.

American Security Corp. (5/9-13)
March 28 filed 100,000 shares of capital stock (par \$2). The company is an affiliate of American Security & Trust Co. by reason of the fact that each of their stockholders owns the same number of outstanding shares of each entity. It is proposed to offer the 100,000 shares of American Security stock and a like number of shares of the \$10 par capital stock of the Trust Company in units of one share of stock of each issuer; and the units are to be offered for subscription by stockholders of each issuer at the rate of one new share for each five shares held. Price—To be supplied by amendment. Proceeds—American Security will use its proceeds in part to repay current indebtedness incurred incident to the purchase

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of the non-banking assets of The City Bank of Washington, with the balance added to working capital for general corporate purposes. **Office**—734 15th Street, N. W., Washington, D. C. **Underwriters**—Alex Brown & Sons, Baltimore, Md.; Folger, Nolan, Fleming-W. B. Hibbs & Co., Inc. and Johnston Lemon & Co., Washington, D. C.; and Kidder, Peabody & Co., New York.

American Stereophonic Corp. (5/16-20)

April 11 (letter of notification) 50,000 shares of common stock (par one cent). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Office**—17 W. 60th St., New York, N. Y. **Underwriter**—D. H. Victor & Co., Inc., New York, N. Y.

Anken Chemical & Film Corp. (5/23)

April 7 filed 145,703 shares of common stock (par 20 cents), to be offered for subscription by holders of outstanding common stock at the rate of one new share for each six shares held. **Price**—To be supplied by amendment. **Proceeds**—\$1,950,000 will be applied toward the purchase of certain properties and assets of the Sperry Rand Corp.; \$140,000 will be used to retire short-term bank loans; and the balance for general corporate purposes. **Office**—1 Hicks Ave., Newton, N. J. **Underwriters**—R. W. Pressprich & Co. and Riter & Co., both of New York.

Arizona Public Service Co. (5/24)

April 22 filed 333,400 shares of common stock (par \$5), to be offered to holders of the company's currently outstanding common stock at the rate of one new share for each 10 shares held of record May 24, 1960 with rights to expire on June 14 at 3:30 p.m. (EDST). **Price**—To be supplied by amendment. **Proceeds**—For construction purposes and payment of loans incurred for such purposes. **Office**—501 South 3rd Avenue, Phoenix, Ariz. **Underwriters**—The First Boston Corp. and Blyth & Co., Inc., both of New York.

Atlas Bowling Centers, Inc.

May 2 filed 100,000 shares of class A common stock. **Price**—To be supplied by amendment. **Proceeds**—For additional working capital. **Office**—255 Huntington Avenue, Boston, Mass. **Underwriter**—Keller & Co., Boston, Mass.

Audion-Emenee Corp. (5/16)

March 29 filed 100,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—For working capital. **Office**—New York City. **Underwriters**—Pistell, Schroeder & Co., Inc., and Bertner Bros., both of New York City.

Automation Systems, Inc. (5/6)

Feb. 12 (letter of notification) 150,000 shares of common stock (par 25 cents). **Price**—\$1 per share. **Proceeds**—For general corporate purposes. **Office**—150-34 12th Avenue, Whitestone 57, N. Y. **Underwriter**—B. Fennekohl & Co., Inc., New York, N. Y.

Aviation Employees Corp. (5/16)

Feb. 8 filed 2,500,000 shares of common stock. **Price**—\$2 per share. **Proceeds**—Together with other funds, will be invested in the shares of the company's three subsidiaries; for general corporate purposes; and the remaining balance will be used from time to time for the purchase of all or a substantial interest in or the formation of one or more other companies engaged in the business of insurance or finance or to further supplement the funds of the three subsidiaries. **Office**—930 Tower Bldg., Washington, D. C. **Underwriters**—G. J. Mitchell Jr. Co., Washington, D. C.; and Ralph B. Leonard & Sons, Inc., of New York City.

Baltimore Paint & Chemical Corp.

April 27 filed under a Voting Trust Agreement 823,604 shares of the company's common stock. **Office**—2325 Annapolis Ave., Baltimore, Md. **Trustees**—Arthur E. Dennis, John A. Luetkemeyer, Richard B. Schneider, Albert A. Shuger and Julius O. Shuger.

Beltone Recording Corp. (5/16-20)

Feb. 29 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Office**—4 W. 31st Street, New York 1, N. Y. **Underwriter**—A. J. Gabriel Co., Inc., New York, N. Y.

Bevis Shell Homes, Inc. (5/16)

March 30 filed \$1,600,000 of 9% subordinated sinking fund debentures due 1985 and 1,000,000 shares of common stock, to be offered for public sale in units (200,000), at \$15.50 per unit, each unit to consist of five common shares, one \$8 par debenture, and warrants for the purchase of two additional units of one common share and one \$8 debenture at \$9.50 per unit. **Proceeds**—\$2,000,000 will be used to increase the company's holdings of mortgages placed on the shell homes it sells; and \$1,600,000 to be used to increase its holding of mortgages will be placed in escrow for that purpose; and the balance for general corporate purposes. **Office**—Tampa, Fla. **Underwriters**—G. H. Walker & Co., New York City and Beil & Hough, Inc. of St. Petersburg, Fla., as co-managers.

Big Laurel, Inc. (5/16-20)

March 22 filed 400,000 shares of 7% cumulative preferred stock (par \$2.80) and 400,000 shares of common stock (par 10 cents), to be offered in units of one share of preferred and one share of common. **Price**—\$3 per unit. **Proceeds**—To develop a resort community and for working capital. **Office**—Bryson City, N. C. **Underwriters**—Pearson, Murphy & Co., Inc., New York City, and Mackay & Co., Reading Pa.

Birtcher Corp.

March 29 filed \$500,000 of 6% convertible subordinated debentures, due April 30, 1975. **Price**—At par. **Proceeds**—To pay bank loans incurred to augment working capital. **Office**—Los Angeles, Calif. **Underwriter**—Quincy Cass Associates, Los Angeles, Calif.

Bowers Battery & Spark Plug Co.

March 29 filed 280,000 shares of common stock (no par), of which 250,000 shares will be offered for public sale at \$6 per share and 30,000 shares will be offered to selected employees at \$5.40 per share. **Proceeds**—Between \$200,000 and \$300,000 is expected to be expended before 1961 for starting up costs, including initial rents of the new plant in the southeastern portion of the United States which it hopes to obtain and open before the end of the year; an additional \$250,000 is expected to be expended either by the company or through its subsidiaries for the improvement of certain of its manufacturing facilities, such as additional mechanization and material control handling and for experimental work in connection with beryllium; and the balance of the proceeds will be added to the company's general funds. **Office**—Reading, Pa. **Underwriter**—Dempsey-Tegeler & Co., St. Louis and New York. **Offering**—Expected in mid-May.

Bruce National Enterprises, Inc. (5/31-6/3)

April 29 filed 335,000 shares of common stock (par 10 cents). **Price**—\$6 per share. **Proceeds**—For reduction of outstanding indebtedness; to pay off mortgages on certain property; for working capital and other corporate purposes. **Office**—1118 N. E. 3rd Avenue, Miami, Fla. **Underwriter**—George O'Neill & Co., Inc., New York.

Brush Beryllium Co. (5/31-6/3)

April 11 filed 410,206 shares of common stock, of which 260,000 shares are to be offered for the account of the issuing company and 150,206 shares, representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—Cleveland, Ohio. **Underwriters**—Kuhn, Loeb & Co., New York City, and McDonald & Co., Cleveland.

Cabana Pools, Inc. (5/9-13)

March 31 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Office**—640 Fifth Avenue, New York, N. Y. **Underwriter**—Mandell & Kahn, Inc., Time-Life Building, Rockefeller Center, New York, N. Y.

California Electric Power Co. (5/12)

April 5 filed \$12,000,000 of first mortgage bonds, series due May 1, 1990. **Proceeds**—To discharge short-term bank loans of some \$9,500,000 and for the company's construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White, Weld & Co. **Bids**—Expected to be received up to 9 a.m. (PST) on Thursday, May 12, in the offices of O'Melveny & Myers, Room 900, 433 South Spring Street, Los Angeles 13, Calif.

Cambridge Motor Inn

April 28 filed \$900,000 of limited partnership interests, to be offered for public sale in \$5,000 units. **Proceeds**—For construction of a motor inn. **Office**—15 Park Row, New York City, N. Y. **Underwriter**—None.

Capital Shares Inc., San Francisco, Calif.

May 3 filed 1,100,000 shares of common stock. **Price**—\$1 per share. **Proceeds**—To increase capital and surplus and for working capital. **Underwriter**—None.

Certified Credit & Thrift Corp.

Jan. 26 filed 250,000 shares of class A stock (\$10 par) and 250,000 shares of class B stock (20c par), to be offered in units of one share of each class of stock. **Price**—\$20.20 per unit. **Proceeds**—To pay mortgages. **Office**—Columbus, Ohio. **Underwriter**—Commonwealth Securities Corp., Columbus. **Offering**—Imminent.

Chemical Packaging Co., Inc. (5/10)

March 16 (letter of notification) 115,000 shares of common stock (par 10 cents). **Price**—\$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—755 Utica Avenue, Brooklyn, N. Y. **Underwriters**—Mainland Securities Corp., 156 N. Franklin Street, Hempstead, N. Y. and Jeffrey-Robert Corp., 382 S. Oyster Bay Road, Hicksville, L. I., N. Y.

Chemo-Vive Processes, Inc. (6/6-10)

April 22 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—To purchase machinery and equipment and the balance for working capital. **Office**—609-11 Fourth Avenue, Juniata, Altoona, Pa. **Underwriter**—General Investing Corp., New York, N. Y.

Chemtree Corp. (6/6-10)

April 19 (letter of notification) 262,750 shares of common stock (par 10 cents). **Price**—\$1 per share. **Proceeds**—For general corporate purposes. **Office**—100 W. 10th Street, Wilmington 99, Del. **Underwriter**—Havener Securities Corp., New York, N. Y.

Cincinnati & Suburban Bell Telephone Co.

May 4 filed 100,000 shares of common stock to be offered pursuant to the company's Employees' Stock Option Purchase Plan. **Office**—Cincinnati, Ohio.

Circuitronics, Inc. (5/9)

Feb. 9 (letter of notification) 75,000 shares of class A common stock (par one cent). **Price**—\$4 per share. **Proceeds**—For general corporate purposes. **Office**—121 Varick Street, New York, N. Y. **Underwriter**—Lloyd, Miller & Co., 2605 Connecticut Avenue, N. W., Washington, D. C.

Coca-Cola Bottling Co. of New York (5/25)

April 19 filed 298,204 outstanding shares of its common stock. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Underwriter**—Eastman Dillon, Union Securities & Co., New York. **Listing**—The company intends to apply for NYSE listing.

Cold Lake Pipe Line Co., Ltd.

Feb. 5 filed 200,000 shares of common stock. **Price**—At the market, at time of offering. **Proceeds**—For general

corporate purposes. **Office**—1410 Stanley St., Montreal, Canada. **Underwriter**—Michael Fieldman, New York.

Colgate-Palmolive Co.

April 28 filed 340,225 shares of common stock, subject to options granted or to be granted pursuant to the company's stock option plan. **Office**—300 Park Ave., New York City, N. Y.

Colorado Caterers, Inc.

April 8 (letter of notification) 150,000 shares of common stock (no par). **Price**—\$2 per share. **Proceeds**—For working capital. **Office**—7626 Old Georgetown Road, Bethesda, Md. **Underwriter**—E. A. Burka, Inc., Washington, D. C.

Connecticut & Chesapeake, Inc.

April 29 filed \$585,000 of 4½% promissory notes and 2,250 shares of common stock. It is proposed to offer these securities for public sale in units, each consisting of \$260 of notes and one share of stock, provided that the minimum purchase shall be 10 units for a minimum consideration of \$3,600 (\$2,600 of notes and 10 shares of stock). **Price**—\$360 per unit. **Proceeds**—For repayment of certain advances made to the company. **Office**—724-14th Street, N. W., Washington, D. C. **Underwriter**—Shannon & Luchs Securities Corp.

Constellation Life Insurance Co.

March 29 filed 1,350,000 shares of common stock, of which 350,000 shares will be reserved for stock options, 150,000 shares will be offered to holders of the outstanding common on a "first-come-first-served" basis at \$3.25 per share, and 850,000 shares will be publicly offered. **Price**—\$3.50 per share. **Proceeds**—To general funds. **Office**—Norfolk, Va. **Underwriter**—Willis, Kenny & Ayres, Inc., Richmond, Va.

Consolidated Realty Investment Corp.

April 27 filed 2,000,000 shares of common stock. **Price**—\$1 per share. **Proceeds**—To establish a \$250,000 revolving fund for initial and intermediate financing of the construction of custom or pre-fabricated type residential or commercial buildings and facilities upon properties to be acquired for sub-division and shopping center developments; the balance of the proceeds will be added to working capital. **Office**—1321 Lincoln Ave., Little Rock, Ark. **Underwriter**—The Huntley Corp., Little Rock, Ark.

Continental Capital Corp. (5/31-6/3)

April 19 filed 235,000 shares of capital stock (par \$10). **Price**—\$14 per share. **Proceeds**—For investment in small business concerns, and to the extent necessary may use a portion thereof to retire its outstanding subordinated debenture in the amount of \$150,000 held by the Small Business Administration. **Office**—120 Montgomery Street, San Francisco, Calif. **Underwriter**—McDonnell & Co., Inc., New York.

Cosnat Record Distributing Corp. (5/9-13)

Feb. 29 (letter of notification) 75,000 shares of class A common stock (par 10 cents). **Price**—\$4 per share. **Proceeds**—For general corporate purposes. **Office**—315 W. 47th Street, New York, N. Y. **Underwriter**—Mortimer B. Burnside & Co., Inc., New York, N. Y.

Country Club Corp. of America

April 29 filed 200,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—For repayment of outstanding debt, including payment of mortgages, taxes, notes, and miscellaneous accounts payable; for general corporate purposes and construction of new facilities. **Office**—1737 H. Street, N. W., Washington, D. C. **Underwriter**—A. J. Gabriel Co., Inc., New York.

Crawford Corp. (5/11-12)

March 28 filed 200,000 shares of common stock (par \$1), of which 100,000 shares are to be offered for public sale for account of issuing company and the balance, being outstanding stock, by the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be initially added to working capital and used for general corporate purposes, including but not limited to the reduction of short-term bank loans (\$5,921,872 outstanding at Dec. 31, 1959, including \$5,199,800 of bank loans made directly to an unconsolidated subsidiary). It is contemplated that the additional funds will be used to acquire land for development or resale to dealers, construction loans to builder-dealers, expansion of the company's market area, and the possible manufacture and erection, in cooperation with builders, of "shell" house packages for completion by the home owner on a "do-it-yourself" basis. **Office**—7111 Florida Boulevard, Baton Rouge, La. **Underwriter**—A. G. Becker & Co., Inc., of Chicago and New York.

Custom Craft Marine Co., Inc. (5/16)

March 28 (letter of notification) 85,000 shares of common stock (par 25 cents). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—1700 Niagara Street, Buffalo, N. Y. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y.

Dalto Corp. (5/31-6/3)

March 29 filed 134,739 shares of common stock, to be offered for subscription by holders of such stock of record May 2 at the rate of one new share for each two shares then held with rights to expire on June 3. **Price**—To be supplied by amendment. **Proceeds**—For the retirement of notes and additional working capital. **Office**—Norwood, N. J. **Underwriter**—None.

Dart Drug Corp.

March 30 filed 200,000 shares of class A common stock, of which 170,000 shares are to be offered for public sale on behalf of the issuing company and 30,000 shares, being outstanding stock, on behalf of the present holders thereof. **Price**—\$5 per share. **Proceeds**—For repayment of corporate indebtedness and for working capital. **Office**—5458 Third St., N. E., Washington, D. C. **Underwriter**—Hodgdon & Co., Washington, D. C.

Defense Electronics, Inc.

April 12 (letter of notification) 200,000 shares of common stock (par one cent). **Price**—\$1.50 per share. **Pro-**

ceeds—For machinery and electronic test equipment, working capital and a reserve fund. Address—Rockville, Md. Underwriter—Balogh & Co., Inc., Washington, D. C.

• Deltown Foods, Inc. (5/11-12)

March 22 filed 115,000 shares of outstanding common stock (par \$1). Price—To be supplied by amendment. Proceeds—To selling stockholders. Office—Yonkers, N. Y. Underwriter—A. G. Becker & Co., Inc., New York City.

Deluxe Aluminum Products, Inc. (5/23)

Oct. 15 filed \$330,000 of convertible debentures, and 70,000 shares of common stock. Price—For the debentures, 100% of principal amount; for the stock, \$5 per share. Proceeds—From 10,000 shares of the common stock, to the present holders thereof; from the rest of the offering, to the company to be used for expansion and as working capital. Office—6810 S. W. 81st St., Miami, Fla. Underwriter—R. A. Holman & Co., Inc.

Dial Finance Co. (5/10)

March 25 filed 300,000 shares of common stock (no par), including 150,000 shares which are outstanding and will be offered for public sale by the holders thereof, and the remaining 150,000 will be offered for the company's account. Price—To be supplied by amendment. Proceeds—To be added to the company's general funds and will be used initially to reduce short term debt. Office—207 Ninth St., Des Moines, Iowa. Underwriter—White, Weld & Co., Inc., New York.

Diversified Communities, Inc.

Sept. 25 filed 367,200 shares of common stock (par \$1). Price—To be supplied by amendment. Proceeds—For acquisition of Hope Homes, Inc., Browntown Water Co. and Cantor & Goldman Builders, Inc., with the balance to be used as working capital. Office—29A Sayre Woods Shopping Center, Madison Township, P. O. Parlin, N. J. Underwriter—Lee Higginson Corp., New York. Offering—Postponed.

★ Diversified Realty Investment Co.

April 26 filed 250,000 shares of common stock. Price—\$5 per share. Proceeds—For additional working capital. Office—919 18th Street, N. W., Washington, D. C. Underwriter—Ball, Pablo & Co., of Washington, D. C.

★ Doak Pharmacal Co. Inc. (5/16-20)

April 28 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—\$3 per share. Proceeds—For general corporate purposes. Office—99 Park Avenue, New York, N. Y. Underwriter—Ross Securities, Inc., 99 Wall Street, New York 5, N. Y.

• Dubois Chemicals, Inc. (5/6)

March 30 filed 200,000 shares of common stock (par \$1) to be publicly offered and 125,000 shares issuable under the company's Restricted Stock Option Incentive Plan for key employees. Price—To be supplied by amendment. Proceeds—To reduce a bank loan in the amount of \$2,681,000. Office—634 Broadway, Cincinnati, O. Underwriter—Allen & Co., New York.

Durox of Minnesota, Inc. (5/9)

April 11 filed \$650,000 of 7% first mortgage bonds and 120,000 shares of common stock (par \$1). The offering will be made in units of one bond (\$100 principal amount) and 20 shares of common stock or one unit of 50 bonds at principal amount plus accrued interest. Price—To be supplied by amendment. Proceeds—For additional plant and equipment and to provide working capital to commence and maintain production. Office—414 Pioneer Bldg., St. Paul, Minn. Underwriters—Irving J. Rice & Co., Inc., St. Paul, Minn. and M. H. Bishop & Co., Minneapolis, Minn.

Dymo Industries, Inc. (5/16-20)

April 11 filed 150,000 shares of capital stock (par \$1). Price—To be supplied by amendment. Proceeds—Approximately \$200,000 of the proceeds from the sale of the stock will be used for the purchase and installation of machinery and equipment in a new plant which the company is presently negotiating to lease; \$400,000 will be used for the acquisition of tools, dies, jigs and fixtures; \$100,000 for leasehold improvements; and the balance for working capital. Office—2546 Tenth St., Berkeley, Calif. Underwriter—William R. Staats & Co., Los Angeles, California.

Dynamic Films, Inc. (5/9-13)

March 29 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—\$3 per share. Proceeds—For general corporate purposes. Office—405 Park Avenue, New York, N. Y. Underwriter—Morris Cohon & Co., New York, N. Y.

★ Dynatron Electronics Corp. (5/23-27)

April 29 (letter of notification) 100,000 shares of common stock (par 10 cents). Price—\$1 per share. Proceeds—For general corporate purposes. Office—178 Herricks Road, Mineola, N. Y. Underwriter—General Securities Co., Inc., New York, N. Y.

Dynex, Inc. (5/26)

March 15 filed 54,000 common shares (25 cents par) and warrants for an additional 5,000 shares of this stock. The company proposes to make a public offering of 30,000 shares. Of the additional 24,000 shares, 20,000 are being issued in escrow for the account of, and may be resold by, the holders of capital stock and certain creditors of Matronics, Inc., after July 22, 1960 at the then prevailing market price; and 4,000 shares for the account of the holders of the common stock and a creditor of Optics Manufacturing Corp. The 5,000 warrants are being issued to stockholders and certain creditors of Matronics, Inc. Price—To be supplied by amendment. Proceeds—To finance the activities of the two newly-acquired concerns, to finance the starting of inventories and advertising incident to new products, to purchase additional equipment and inventory for the manufacture and production of contracts for other concerns, and to expand

the scope of the company's business. Office—123 Eileen Way, Syosset, N. Y. Underwriter—Myron A. Lomasney & Co., New York.

Elco Corp. (5/31-6/3)

April 22 filed \$1,000,000 of 6% convertible subordinated debentures due May 15, 1975, 82,065 common stock purchase warrants, and 87,809 shares of common stock reserved against the exercise of the warrants. Price—100% of principal amount plus accrued interest from May 15, 1960. Proceeds—For retirement of the company's indebtedness to The First Pennsylvania Banking & Trust Co., and for the purchase of machinery and equipment. Location—"M" Street below Erie Avenue, Philadelphia, Pa. Underwriter—S. D. Fuller & Co., New York.

Electrada Corp. (5/9-13)

March 29 filed 400,000 shares of common stock. Price—To be supplied by amendment. Proceeds—For acquisitions, debt reduction, and other corporate purposes. Office—9744 Wilshire Blvd., Beverly Hills, Calif. Underwriter—Bache & Co., New York.

Electronic Assistance Corp. (5/16-20)

March 17 filed 122,500 shares of common stock (par 10 cents), of which 72,500 shares are to be offered for public sale for the account of the company and the remaining 50,000 shares, now outstanding, by Robert Edwards, company president. Price—To be supplied by amendment. Proceeds—\$20,000 will be used to further equip its engineering department and office, \$60,000 for research and development, and \$20,000 for advertising and promotion. The balance of the proceeds of approximately \$594,750 will be added to working capital. Office—20 Bridge Ave., Red Bank, N. J. Underwriter—Amos Treat & Co., Inc., New York.

★ Electrosolids Corp.

April 25 (letter of notification) 100,000 shares of common stock (no par). Price—\$3 per share. Proceeds—To repay borrowings, expand the company's facilities and for working capital. Office—13745 Saticoy Street, Van Nuys, Calif. Underwriter—Morgan & Co., Los Angeles, Calif.

Englehard Industries, Inc. (5/9-13)

Mar. 30 filed 400,000 shares common stock (par \$1). Price—To be supplied by amendment. Proceeds—\$2,000,000 to reduce outstanding amount of term notes, and the balance to reduce outstanding short-term indebtedness and increase working capital. Office—Newark, N. J. Underwriters—Dillon, Read & Co. Inc., and Lazard Freres & Co., both of New York City.

★ Espey Mfg. & Electronics Corp.

April 29 filed 80,000 shares of common stock (par \$1). Price—To be supplied by amendment. Proceeds—For general corporate purposes. Office—Saratoga Springs, N. Y. Underwriter—Sutro Bros. & Co., New York. Offering—Expected in mid-June.

Esquire Radio & Electronics, Inc.

March 30 filed 150,000 shares of common stock (par 10c). Price—\$5 per share. Proceeds—\$73,000 will be used to replace funds used by company for payment of subordinated notes; \$50,000 to repay short-term bank obligations; and the balance of approximately \$477,000 will be added to working capital and used for general corporate purposes, including financing of finished and raw material inventory. Office—39 Broadway, New York. Underwriter—Myron A. Lomasney & Co. Offering—Expected sometime in June.

• Estates, Inc.

Dec. 24 filed 200,000 shares of class A common stock. Price—\$5 per share. Proceeds—For purchase of various properties, for development and subdivision thereof, and to meet operating expenses, salaries and other costs, but principally for the purchase and development of large tracts of land. Office—3636-16th Street, N. W., Washington, D. C. Underwriter—Consolidated Securities of Washington, D. C. Offering—Imminent.

Ets-Hokin & Galvan, Inc. (5/9)

March 28 filed 250,000 shares of common stock (par \$1). Price—\$5.30 per share. Proceeds—To be added to company's working capital and will be used principally to reduce some \$1,000,000 of its accounts payable. The balance will be used to reduce notes payable to the Bank of America National Trust & Savings Association. Office—551 Mission St., San Francisco, Calif. Underwriter—Van Alstyne, Noel & Co., New York.

FXR, Inc. (5/9-13)

March 30 filed \$2,000,000 of convertible subordinated debentures, due 1970. Price—To be supplied by amendment. Proceeds—\$950,000 will be used to repay short-term notes and up to \$375,000 is to be invested in Micro-mega Corp.; the balance of the proceeds will be used to acquire new facilities, to maintain necessary inventory to meet current and anticipated sales requirements, to supplement working capital and for other general corporate purposes. Office—26-12 Borough Place, Woodside, N. Y. Underwriter—C. E. Unterberg, Towbin Co.

Family Fund Life Insurance Co.

March 30 filed 116,800 shares of common stock, to be offered for subscription by stockholders at the rate of one new share for each 5 shares held. Price—\$9 per share; unsubscribed shares at \$10.25 per share. Proceeds—To increase capital and surplus and expand the business. Office—1515 Spring St., N. W., Atlanta, Ga. Underwriter—J. H. Hilsman & Co., Inc., Atlanta, Ga.

Farmers' Educational & Cooperative Union of America

March 29 filed \$2,500,000 of registered debentures, series D, maturing from 1969 to 1980. Price—To be offered in units of \$100. Proceeds—To pay notes maturing before Dec. 31, 1963, with \$1,107,000 to be contributed to surplus or loaned to subsidiaries. Office—Denver, Colo. Underwriter—None.

Farrington Manufacturing Co. (5/16-20)

March 25 filed \$6,000,000 of subordinated convertible debentures due 1970. Price—To be supplied by amendment. Proceeds—\$2,000,000 to be applied to the payment of bank loans; \$2,800,000 to the scanner program in 1960, including (a) \$1,000,000 for expenditures by Farrington Electronics, Inc., a newly-formed date processing subsidiary, for inventory, 250,000 to purchase and test equipment for producing scanners and \$250,000 as working capital; and (b) \$1,300,000 for research and development. Office—77 A St., Needham, Mass. Underwriters—Cyrus J. Lawrence & Sons, New York City; and Brawley, Cathers & Co., Toronto, Ontario, Canada.

Federal Steel Corp. (5/9-13)

March 30 (letter of notification) 59,000 shares of common stock (no par). Price—\$5 per share. Proceeds—For an expansion program. Office—3327 Elkton Ave., Dayton 3, Ohio. Underwriter—Westheimer & Co., Cincinnati, Ohio.

• Federated Electronics, Inc. (5/16-20)

April 25 (letter of notification) 300,000 shares of common stock (par 10 cents). Price—\$1 per share. Proceeds—For general corporate purposes. Office—139-14 Jamaica Avenue, Jamaica, N. Y. Underwriter—J. B. Curnburn Associates, Inc., New York, N. Y.

Fidelity Acceptance Corp.

March 24 (letter of notification) 12,000 shares of class H 6% cumulative preferred stock. Price—At par (25) per share). Proceeds—For working capital. Office—820 Plymouth Bldg., Minneapolis, Minn. Underwriter—Ray F. Kersten, 3332 E. Orange Dr., Phoenix, Ariz.

Figurette, Ltd. (5/23-27)

March 3 filed 100,000 shares of class A common stock, (par 50 cents) Price—\$6 per share. Proceeds—For general corporate purposes. Office—514 N. E. 79th Street, Miami, Fla. Underwriter—Myron A. Lomasney & Co., New York.

• First National Realty & Construction Corp. (5/9-13)

April 25 filed 150,000 shares of cumulative convertible preferred stock first series, \$8 par, redeemable by the company on or after May 15, 1963 at \$10 per share, and 150,000 shares of common stock (par 10 cents). It is proposed that these securities will be offered in units, each unit consisting of one share of preferred and one share of common. Price—To be supplied by amendment. Proceeds—\$257,000 will be used to repay loans made by an officer and director of the company and a corporation controlled by him to provide funds for apartment house construction; about \$500,000 will be used for the repayment of a portion of bank notes; and the balance will be added to working capital for use in the acquisition of new properties and for the company's construction program. Office—630 Third Avenue, New York. Underwriter—H. Hentz & Co., New York.

Florida Builders, Inc. (5/23-27)

Mar. 30 filed 80,000 shares common stock (par \$1). Price—To be supplied by amendment. Proceeds—Between \$200,000 and \$250,000 will be used to establish or acquire a Federal Housing Administration approved mortgage financing and service company; \$200,000 will be used to pay off bank loans; and the balance for working capital. Office—700 43rd St. South, St. Petersburg, Fla. Underwriter—Jaffee & Co., New York.

★ Florida Power & Light Co. (5/31)

May 3 filed 400,000 shares of common stock. Proceeds—To provide additional electric facilities and for other corporate purposes. Office—Ingraham Building, Miami, Fla. Underwriter—To be determined by competitive bidding. Probable bidders: Merrill Lynch, Pierce, Fenner & Smith Inc. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Blyth & Co., Inc. Bids—Expected to be received up to 3:45 p.m. (EDT) on May 31.

Food Fair Stores, Inc. (5/24)

April 14 filed 168,833 shares of common stock. Price—To be supplied by amendment. Proceeds—To selling stockholders. Office—2223 Allegheny Ave., Philadelphia, Pa. Underwriters—Eastman Dillon, Union Securities & Co. and A. M. Kidder & Co., both of New York.

Forest City Enterprises, Inc. (5/9-13)

Mar. 29 filed 450,000 shares common stock (par \$1). Price—To be supplied by amendment. Proceeds—For repayment of bank loans and for working capital. Office—17903 St. Clair Ave., Cleveland, O. Underwriter—Bache & Co., New York.

• Forest Hills Country Club, Ltd. (5/9-13)

Jan. 29 filed 75,000 shares of common stock (par 10c). Price—\$4 per share. Proceeds—To build a country club in Forest Hills, L. I., N. Y. Office—179-45 Brinckerhoff Ave., Jamaica 33, L. I., N. Y. Underwriter—Jerome Robbins & Co., 82 Wall St., New York City.

• Foto-Video Electronics Corp.

April 26 filed 125,000 shares of class B stock. Price—\$4 per share. Proceeds—\$100,000 for research and development; \$200,000 for working capital, and the balance for sales promotion expenses. Office—Cedar Grove, N. J. Underwriter—D. F. Bernheimer & Co., Inc., New York City.

Founders Mutual Depositor Corp. (5/16-20)

March 25 (letter of notification) 60,000 shares of common stock, class A (no par). Price—\$4.87½ per share. Proceeds—To go to selling stockholders. Office—2401 First National Bank Bldg., Denver, Colo. Underwriter—Hecker & Co., Philadelphia, Pa.

Franklin Corp.

April 26 filed 1,000,000 shares of common stock (par value \$1). Price—\$10 per share. Proceeds—For invest-

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ment. **Office**—925 Hempstead Turnpike, Franklin Square, New York. **Underwriter**—Blair & Co. Incorporated, New York. **Offering**—Expected in early June.

Friendly Frost Inc. (5/9-13)

April 5 filed 150,000 shares common stock (par 10c). An additional 96,500 shares included in the registration statement are reserved for the company's Employees' Stock Option Plan. **Price**—\$7.50 per share. **Proceeds**—For repayment of bank loans, for company's expansion program, and the balance for working capital. **Office**—123 Frost Street, Westbury, L. I., N. Y. **Underwriter**—None.

Futerman Corp. (5/31-6/3)

April 1 filed 660,000 shares of class A stock. **Price**—To be supplied by amendment. **Proceeds**—For acquisition of properties. **Office**—580 Fifth Avenue, New York. **Underwriter**—Reynolds & Co., New York.

Gamble Brothers

April 14 (letter of notification) 12,500 shares of common stock (par \$5) of which 11,246 shares are to be offered for subscription to stockholders of record as of April 26, 1960 on the basis of one new share for each share held. **Price**—To stockholders, \$18.50 per share; to the public, \$22.50 per share. **Proceeds**—For an expansion program. **Office**—4601 Allmond Avenue, Louisville, Ky. **Underwriter**—Stein Bros. & Boyce, Baltimore, Md. **Note**—Bankers Bond Co., Inc., Louisville, Ky., has withdrawn from the underwriting.

Gem International, Inc. (5/9-13)

Mar. 29 filed 150,000 shares common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—\$125,000 to open, furnish and equip the new Wichita store being built for the company by others; \$75,000 to open, furnish and equip the second store in St. Louis, similarly being built by others; \$128,600 to purchase the assets of Embee, Inc., and Garrol, Inc., who now hold the basic lease on the premises used by the Kansas City operating company and who sublease the premises to that company; \$208,000 for advance to the Honolulu subsidiary to enable it to purchase the assets of Honden, Ltd., Honla Ltd., and Dacat, Ltd., which now hold the basic leases on the store building; \$105,000 for advance to Gem Stores, Inc., and Gem of St. Louis, Inc., to enable those corporations to repay loans; and the balance for general corporate purposes and as needed to expand existing facilities and to establish new locations. **Office**—418 Empire Building, Denver, Colo. **Underwriters**—Bosworth, Sullivan & Co., Inc., Denver, Colo.; and Scherck, Richter Co., St. Louis, Mo.

General Aeromation, Inc. (5/23-27)

March 3 (letter of notification) 84,450 shares of common stock (no par). **Price**—\$3 per share. **Proceeds**—For construction of additional vehicles, a demonstration and automation test center and working capital. **Office**—6011 Montgomery Road, Cincinnati, Ohio. **Underwriter**—Westheimer & Co., Cincinnati, Ohio.

General American Transportation Corp. (5/10)

April 14 filed \$30,000,000 of Equipment Trust Certificates, due May 1, 1980 (series 58). **Price**—To be supplied by amendment. **Proceeds**—To be used toward reimbursing the company's treasury for the cost (not less than \$33,333,334 after adjustment for depreciation) of the cars to be subjected to the Agreement under which the certificates are to be issued. **Office**—135 South LaSalle Street, Chicago, Ill. **Underwriter**—Kuhn, Loeb & Co., New York.

General Atronics Corp. (5/18-22)

March 18 filed 155,660 shares of common stock. **Price**—\$3.50 per share. **Proceeds**—\$60,000 for additional laboratory and production equipment, \$80,000 for additional developmental engineering and sales promotion of materials handling equipment, \$80,000 for investment in Atronic Learnings Systems, Inc., \$93,000 for repayment of bank loans, and \$157,859 for working capital. **Office**—Bala-Cynwyd, Pa. **Underwriter**—Harrison & Co., Philadelphia, Pa.

General Drive-In Corp. (6/13-17)

April 29 filed 180,000 shares of common stock (no par) of which 50,000 shares will be offered for public sale by the company and 130,000 are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—480 Boylston St., Boston, Mass. **Underwriter**—Paine, Webber, Jackson & Curtis, Boston and New York.

General Sales Corp. (6/20-24)

April 28 filed 90,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—\$75,000 will be used for additional working capital, inventories and facilities for the Portland Discount Center; \$75,000 for the same purposes in the Salem Center; and \$50,000 to provide working capital for General Sales Acceptance Corp. for credit sales to member customers. The balance of the proceeds will be used to open two new stores in Oregon and Idaho. **Office**—1105 N. E. Broadway, Portland, Ore. **Underwriter**—B. Fennekohl & Co., Inc., New York.

General Shale Products Corp. (5/16)

March 29 filed 220,605 shares of outstanding common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Johnson City, Tenn. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

Glass Magic Boats, Inc. (5/23)

Dec. 30 (letter of notification) \$51,000 of six-year 6½% convertible debentures to be offered in denominations of \$51 each. Debentures are convertible into common stock at \$1.50 per share. Also, 68,000 shares of common stock (par 10 cents) to be offered in units of one \$51 debenture and 68 shares of common stock. **Price**—Of debentures, at par; of stock, \$102 per unit. **Proceeds**—To pay off current accounts payable; purchase of raw

materials and for expansion. **Office**—2730 Ludelle Street, Fort Worth, Texas. **Underwriter**—R. A. Holman & Co., Inc., New York, N. Y. **Note**—The name has been changed from Glass Magic, Inc.

Glass Marine Industries, Inc.

April 25 filed 200,000 shares of class A stock and 100,000 shares of common stock. The class A stock is to be offered at \$2.25 per share and the common at 75 cents per share; and the class A and common shares are to be offered in units consisting of two class A and one common. **Price**—\$5.25 per unit. **Proceeds**—To develop the necessary production facilities to produce the company's boats. **Office**—Humboldt, Iowa. **Underwriters**—Leason & Co., Inc., Chicago, Ill.; William B. Robinson & Co., Corsicana, Texas; and Bala William & Co., Wichita Falls, Texas.

Golet Corp. (5/10)

March 1 filed \$700,000 of 8% subordinated Installment debentures, due in March, 1970, 70,000 shares of common stock (10 cents par) and 35,000 common stock purchase warrants (exercisable at \$4.30 per share until May 15, 1965), to be offered in units consisting of \$100 of debentures, 10 common shares, and five warrants. **Price**—\$143 per unit. **Proceeds**—To be applied toward the company's general business activities. **Office**—292 Madison Avenue, New York. **Underwriters**—Ross, Lyon & Co., Inc. and Globus, Inc., both of New York.

Gold Medal Packing Corp.

June 18 filed 572,500 shares of common stock (par one cent), and 50,000 common stock purchase warrants. Of the shares 400,000 will be sold for the account of the company; 110,000 by certain stockholders; 12,500 for the underwriter; and the remaining 50,000 shares are purchasable upon exercise of the warrants. **Price**—\$1.25 per share. **Proceeds**—For repayment of debt; purchase of equipment and facilities and other general corporate purposes. **Office**—614 Broad St., Utica, N. Y. **Underwriter**—Mortimer B. Burnside & Co., New York. **Name Change**—Formerly Eastern Packing Corp. **Offering**—Indefinitely delayed.

Gorton's of Gloucester, Inc.

March 22 (letter of notification) 10,100 shares of common stock (no par). **Price**—At-the-market, estimated at \$24½ per share. **Proceeds**—To go to selling stockholders. **Office**—327 Main St., Gloucester, Mass. **Underwriter**—Kidder, Peabody & Co., Inc., Boston, Mass.

Great American Realty Corp. (5/16-20)

April 8 filed \$2,000,000 of 7% convertible debentures due July 1, 1975, together with 110,000 shares of outstanding class A stock. **Price**—For debentures, at 100% of principal amount. **Proceeds**—For additional working capital. **Office**—15 William St., New York. **Underwriter**—For debentures, Louis L. Rogers Co., 15 William St., New York City and Hilton Securities, Inc., 580 5th Ave., New York City.

Greenbelt Consumer Services, Inc.

April 28 filed 40,000 shares of series A common stock and 160,000 shares of series B common stock. **Price**—\$10 per share. **Proceeds**—\$400,000 will be used in payment of bank loans made in January to finance the purchase of equipment for two new supermarkets which are planned to be opened in May and June, 1960. Approximately \$200,000 will be used for the purchase of inventory for the two new stores. The company contemplates opening four additional supermarkets within the next two and one-half years. Approximately \$1,200,000 of the proceeds of the offering will be used to finance the purchase of equipment and inventory for such stores. The balance of approximately \$182,000 will be added to general working capital. **Office**—10501 Rhode Island Ave., Beltsville, Md. **Underwriter**—None.

Gross Furnace Manufacturing Co., Inc.

March 30 (letter of notification) 120,000 shares of common stock (par 10 cents). **Price**—\$2.50 per share. **Proceeds**—For advertising, equipment and working capital. **Office**—c/o Joseph J. Gross, 2411 Sunnybrook Road, Richmond, Va. **Underwriter**—Maryland Securities Co., Inc., Baltimore, Md.

Growth Capital, Inc. (5/9-13)

April 14 filed 500,000 shares of common stock (par \$1). **Price**—\$20 per share. **Proceeds**—To provide investment capital and management services. **Office**—Bulkeley Bldg., Cleveland, Ohio. **Underwriters**—McDonald & Co., Cleveland, Ohio and Paine, Webber, Jackson & Curtis, N. Y.

Gulf-Tex Development, Inc.

March 30 filed 250,000 shares of common stock. **Price**—\$5 per share. **Proceeds**—For purchase of Pelican Island; for improvements on said property; and for working capital and other general corporate purposes, including the general development of the property. **Office**—714 Rosenberg St., Galveston, Tex. **Underwriter**—Myron A. Lomasney & Co., New York. **Offering**—Expected sometime in June.

Hamilton Management Corp. (5/16-20)

March 21 filed 320,000 shares of class A common stock, non-voting (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—777 Grant Street, Denver, Colo. **Underwriter**—Kidder, Peabody & Co., New York.

Hampshire Gardens Associates (5/16)

April 1 filed \$376,000 of Limited Partnership Interests, to be offered in units. **Price**—\$500 per unit. **Proceeds**—For purchase of the fee title to a garden type apartment community (Hampshire Gardens) consisting of 14 buildings with a total of 134 apartments in Chillum, Md. **Office**—375 Park Avenue, New York. **Underwriter**—B. C. Morton & Company, Inc., New York.

Harburton Financial Corp. (5/19)

March 21 (letter of notification) 298,500 shares of class A common stock—non voting (par one cent). **Price**—\$1 per share. **Proceeds**—For general corporate purposes.

Office—56 Beaver Street, New York 4, N. Y. **Underwriter**—Simmons, Rubin & Co., Inc., New York, N. Y.

Harnischfeger Corp.

May 3 filed 60,000 shares of convertible preferred stock (par \$100). **Price**—To be supplied by amendment. **Proceeds**—To be applied to the repayment of a portion of the company's short term bank borrowings. **Underwriter**—The First Boston Corp., New York.

Harvey Aluminum (Inc.) (5/31-6/3)

April 21 filed 750,000 shares of class A common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—For expansion and working capital. **Office**—Torrance, Calif. **Underwriters**—Kuhn, Loeb & Co. and Tucker, Anthony & R. L. Day, both of New York City.

Hawley Products Co. (5/16)

Mar. 29 filed 90,000 outstanding shares of common stock (par \$5). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—333-39 North Sixth St., St. Charles, Ill. **Underwriter**—Dean Witter & Co., Chicago and New York.

Henderson's Portion Pak, Inc. (5/31-6/3)

April 18 filed 200,000 shares of outstanding common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—4015 Laguna Street, Coral Gables, Fla. **Underwriter**—Burnham & Co., New York.

Hermes Electronics Co.

April 29 filed 751,924 shares of common stock. Of these shares 642,854 shares are outstanding and may be sold by the holders thereof from time to time in the over-the-counter market at the then-existing prices. 54,258 shares of the stock will be offered pursuant to options outstanding or to be granted to employees. The remaining 54,812 shares will be offered to holders of the company's outstanding convertible preferred pursuant to their conversion rights. **Office**—75 Cambridge Parkway, Cambridge, Mass. **Underwriter**—None.

Holt, Rinehart & Winston Inc. (5/6)

March 29 filed 331,740 outstanding shares of its common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—New York City. **Underwriters**—Goldman, Sachs & Co., Allen & Co. and Shearson, Hammill & Co., all of New York.

Howe Plastics & Chemical Companies, Inc.

Dec. 14 (letter of notification) 60,000 shares of common stock (par one cent). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—125 E. 50th Street, New York, N. Y. **Underwriter**—Hilton Securities, Inc., 580 Fifth Avenue, New York, N. Y.

Hudson Vitamin Products, Inc. (5/23-27)

April 15 filed 212,500 outstanding shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—89 Seventh Ave., New York. **Underwriter**—Bear, Stearns & Co., New York.

Hydra-Power Corp. (5/16-20)

March 21 filed \$600,000 of 6½% subordinated debentures, due 1970, with warrants to purchase 150 common shares for each \$1,000 debenture. **Price**—100% of principal amount. **Proceeds**—\$175,000 will be applied to the purchase of capital equipment, raw material and to finance work-in-process and finished products for Power-tronics Systems, Inc., a subsidiary engaged in research and development of a new line of products such as voltage regulators and regulated power companies; \$225,000 to be used for similar purposes with respect to the operations of Electro-Powerpacs, Inc., a subsidiary engaged in the design and production of photographic and emergency lighting equipment; \$100,000 for reduction of a portion of a \$200,000 bank loan; and the balance for general corporate purposes. **Office**—10 Pine Court, New Rochelle, N. Y. **Underwriters**—Aetna Securities Corp. and D. Gleich Co., both of New York.

I C Inc. (5/16-20)

June 29 filed 600,000 shares of common stock (par \$1). **Price**—\$2.50 per share. **Proceeds**—To further the corporate purposes and in the preparation of the concentrate and franchising of bottlers, the local and national promotion and advertising of its beverages, and where necessary to make loans to such bottlers, etc. **Office**—704 Equitable Bldg., Denver, Colo. **Underwriters**—Purvis & Co. and Amos C. Sudler & Co., both of Denver, Colo.

Illinois Beef, L. & W. S., Inc. (6/6-10)

April 29 filed 200,000 shares of outstanding common stock. **Proceeds**—To selling stockholders. **Price**—\$10 per share. **Office**—200 South Craig Street, Pittsburgh, Pa. **Underwriters**—Amos Treat & Co., Inc., New York, and Bruno Lenchner, Inc., Pittsburgh, Pa.

Industrial Rayon Corp.

April 19 filed 1,687,298 shares of common stock, to be used in connection with the merger into ILR of Texas Butadiene & Chemical Corp. **Office**—Cleveland, Ohio. **Note**—April 29 shareholders of this company voted approval of the merger, but it was called off on May 2.

Insured Mortgages of America, Inc.

March 14 filed \$1,000,000 of 5½% collateral trust bonds. **Price**—At 100% of principal amount. **Proceeds**—To repay temporary bank loans and to purchase additional insured mortgage loans, and for other corporate purposes. **Office**—575 Colman Bldg., Seattle, Wash. **Underwriter**—None.

Integrand Corp. (5/9)

Oct. 13 filed 85,000 shares of common stock (par five cents). **Price**—\$4 per share. **Proceeds**—To establish and equip a plant for the manufacture of the company's "hi fi" systems in or near San Francisco; for development of allied devices; and for working capital. **Office**—622 Main St., Westbury, N. Y. **Underwriter**—Palombi Securities Co., Inc., New York. **Note**—This issue was

originally registered with DiRoma, Alexik & Co., Springfield, Mass., as the underwriter.

International Properties, Inc.

April 20 filed 750,000 shares of common stock. Price—\$1.65 per share. Proceeds—To meet financial and loan commitments of the company in connection with the purchase of certain property. Office—1487 Northwestern Bank Building, Minneapolis, Minn. Underwriter—Company or selected dealers.

Ionics, Inc. (5/9-13)

March 29 filed 75,000 shares of common stock (par \$1). Price—To be supplied by amendment. Proceeds—Major portion of the net proceeds of sale of additional stock will be added to working capital to be applied toward financing an increasing volume of business and intensified sales efforts, and toward expanding and broadening research and development, including activities in the fuel cell field. The company expects to move to larger quarters near Waltham, Mass., and it estimates that requirements for new equipment and other costs, including moving expenses, will amount to at least \$300,000. A portion of the proceeds of the stock sale may be applied to the cost of constructing the new building, but the company does not anticipate that in excess of \$400,000 of the net proceeds of this offering will be used on a permanent basis for such purpose. Office—152 Sixth Street, Cambridge, Mass. Underwriters—Lee Higginson Corp., Shields & Co., and C. E. Unterberg, Towbin Co., all of New York.

Itemco, Inc.

April 29 filed 200,000 shares of common stock. Price—\$2.50 per share. Proceeds—For repayment of outstanding debt, for instrumentation and automation of laboratory equipment, for expansion of existing manufacturing facilities and the acquisition or establishment of additional facilities, and the balance for working capital. Office—18 Beechwood Avenue, Port Washington, N. Y. Underwriters—Morris Cohon & Company and Schrijver & Co., both of New York. Offering—Expected sometime in June.

Jersey Central Power & Light Co. (5/24)

March 24 filed \$10,000,000 of first mortgage bonds due 1990. Proceeds—\$5,800,000 will be applied to the payment of a like amount of outstanding notes and the balance to 1960 construction expenditures (or reimbursement of the company's treasury thereof). Underwriter—To be determined by competitive bidding. Probable bidders: Eastman Dillon, Union Securities & Co. (managing the books), Salomon Bros. & Hutzler and Merrill Lynch, Pierce, Fenner & Smith (jointly). Bids—Expected to be received up to 11:00 a.m. (New York Time) on May 24.

Kenrich Petrochemicals, Inc. (5/16)

March 29 filed \$175,000 of 7% convertible subordinated debentures due 1970, and 55,000 shares of class A common stock. Price—For debentures, 100% of principal amount; and \$3.50 per class A share. Proceeds—\$10,000 will be applied towards the repayment of demand notes, \$115,000 for new plant facilities and equipment; and the balance for general corporate purposes. Office—120 Wall St., New York. Underwriter—First Philadelphia Corp., New York.

Keystone Electronics Co., Inc. (5/9-13)

Feb. 12 filed 200,000 shares of common stock. Of this stock, 133,334 shares are to be offered for public sale for the account of the company and 66,666, being outstanding stock, by the holders thereof. Price—\$3 per share (par 25 cents). Proceeds—For additional equipment and inventory; for research and development; and the balance for working capital. Office—65 Seventh Ave., Newark, N. J. Underwriters—J. A. Winston & Co., Inc. and Netherlands Securities, Inc., both of New York.

Kinetics Corp.

April 25 (letter of notification) 50,000 shares of common stock (no par). Price—\$6 per share. Proceeds—To pay current liabilities, a short-term bank loan, and for working capital. Office—410 S. Cedros Ave., Solana Beach, Calif. Underwriter—None.

Klondyke Gold Mines, Inc.

April 26 (letter of notification) 200,000 shares of common stock. Price—At par (10 cents per share). Proceeds—For mining expenses. Office—Bouler Bank Bldg., Boulder, Mont. Underwriter—None.

Laboratory for Electronics, Inc. (6/20-24)

April 20 filed a maximum of 100,000 shares of common stock, to be initially offered to its stockholders. Price—To be supplied by amendment. Proceeds—For additional working capital and expansion, and the balance if any, to reduce bank loans. Office—1079 Commonwealth Avenue, Boston, Mass. Underwriter—Paine, Webber, Jackson & Curtis, Boston and New York.

Lamour (Dorothy), Inc.

March 30 (letter of notification) 100,000 shares of class A common stock (par 10 cents). Price—\$3 per share. Proceeds—For general corporate purposes. Office—65 E. 55th Street, New York 22, N. Y. Underwriter—Investment Securities Co. of Maryland, Baltimore, Md.

Lehigh Valley Industries, Inc.

April 28 filed 1,429,514 common stock warrants and a like number of common shares issuable on exercise of such warrants at an initial exercise price of \$4 per share. The said warrants are to be issued under an agreement of merger between Lehigh and Lehigh Industries, Inc., to holders of the present preferred stock and common stock of Lehigh. The registration statement also includes 1,767,911 shares of Lehigh common which may be issued from time to time in the acquisition of additional properties including stock of other companies. Office—90 West St., New York.

Liberty Records, Inc.

April 1 filed 150,000 shares of common stock (par 50c). Price—Approximately \$8.00 per share. Proceeds—To be

added to the company's general corporate funds, substantially to meet increased demands on working capital. Office—6920 Sunset Boulevard, Los Angeles, Calif. Underwriter—Crowell, Weedon & Co., Los Angeles, Calif. Offering—Expected mid to late May.

Litecraft Industries, Ltd. (5/23-27)

March 29 filed \$750,000 of 6¼% subordinated sinking fund debentures, due 1980, and an undetermined number of common shares, to be offered in units. Price—\$500 per unit plus accrued interest from May 1, 1960. Proceeds—For general corporate purposes. Office—Passaic, N. J. Underwriter—P. W. Brooks & Co., New York.

Lite-Vent Industries, Inc. (5/26)

March 25 filed 100,000 shares of common stock (par \$1). Price—\$5.20 per share. Proceeds—To be added to company's general funds, of which \$200,000 will be used for repayment of indebtedness, \$45,000 to acquire additional roll forming machinery and equipment, \$74,000 to repay advances by two officers, and the balance for working capital and other corporate purposes. Office—14637 Meyers Road, Detroit, Mich. Underwriter—Peter Morgan & Co., New York City.

Magnin (Joseph) Co., Inc. (5/16-20)

March 25 filed \$1,250,000 of 15-year convertible subordinated debentures due May 1, 1975, and 78,000 shares of common stock (par \$1). The debentures and 35,000 common shares are to be offered for public sale by the issuing company and the remaining 43,000 common shares by the present stockholders thereof. Price—To be supplied by amendment. Proceeds—For the purchase of the Blum's interest in Specialty Shops, Inc., and the balance for general corporate purposes. Office—Stockton and O'Farrell Sts., San Francisco, Calif. Underwriter—F. S. Smithers & Co., New York City and San Francisco.

Majestic Specialties, Inc. (5/9-11)

March 25 filed 150,000 outstanding shares of common stock, (no par) to be offered for the account of the present holders thereof. Price—To be supplied by amendment. Proceeds—To selling stockholders. Office—2530 Superior Avenue, Cleveland, Ohio. Underwriter—Hayden, Stone & Co., New York.

Majestic Utilities Corp.

April 29 filed \$300,000 of 6% convertible 10-year debentures, \$250 face value, 30,000 shares of common stock, and options to purchase an additional 30,000 shares. It is proposed to offer these securities for public sale in units (1,200), each consisting of \$250 face amount of debentures, 25 shares of common stock, and options to purchase an additional 25 common shares. Price—\$350 per unit. Proceeds—To be applied in part payment of a \$250,310 bank loan and the balance to be added to working capital and used for general corporate purposes. Office—1111 Stout Street, Denver, Colo. Underwriter—Purvis & Company, Denver, Colo.

Major Pool Equipment Corp. (5/12)

March 21 (letter of notification) 117,000 shares of common stock. Price—\$2.50 per share. Proceeds—For general corporate purposes. Office—South Kearny, N. J. Underwriter—Hill, Thompson & Co., Inc., New York.

Marquette Corp. (5/9-13)

March 28 filed 461,431 shares of common stock, of which 391,431 shares will be offered for public sale. The shares to be offered for public sale include 275,031 shares to be offered for the account of the company and 116,400 which are outstanding and will be offered for the account of holders thereof. The remaining 70,000 shares are to be reserved for issuance under a new stock option plan. Price—For public offering, to be supplied by amendment. Proceeds—\$400,000 will be expended for the acquisition of land, construction of a new plant, and installation of machinery and equipment for the enlargement of the company's welding electrode manufacturing capacity; an additional \$100,000 will be used to retire notes payable to officers; and the balance will be added to working capital and approximately \$1,000,000 may be used to reduce temporarily present bank borrowings. Office—307 East Hennepin Avenue, Minneapolis, Minn. Underwriters—Carl M. Loeb, Rhoades & Co., New York; and Piper, Jaffray & Hopwood, Minneapolis, Minn.

Maryland Credit Finance Corp. (5/9-13)

March 29 filed 28,250 common shares, of which 25,000 shares are being sold for the account of the issuing company, and 3,250 shares are being offered for the account of the present holders thereof. Price—To be supplied by amendment. Proceeds—For working capital and the reduction of short-term indebtedness. Office—Easton, Md. Underwriter—Alex Brown & Sons, Baltimore, Md.

Mattel, Inc. (5/31-6/3)

April 18 filed 300,000 shares of common stock, (par \$1), of which 50,000 shares are to be offered for public sale for the account of the issuing company and 250,000 shares now outstanding, by the holders thereof. Price—To be supplied by amendment. Proceeds—For additional working capital. Office—5150 Rosecrans Avenue, Hawthorne, Calif. Underwriter—Bache & Co., New York.

Mays (J. W.), Inc. (5/9-13)

March 29 filed 317,500 shares of outstanding common stock (par \$1). Price—To be supplied by amendment. Proceeds—To selling stockholder. Office—Brooklyn, N. Y. Underwriter—Merrill Lynch, Pierce, Fenner & Smith Inc., New York City.

McCormick Selph Associates, Inc.

April 15 filed 130,000 shares of capital stock, of which 100,000 shares will be offered for public sale by the issuing company and 30,000 shares, being outstanding, by the holders thereof. Price—To be supplied by amendment. Proceeds—To reduce outstanding indebtedness, to reduce accounts payable, and for additional working capital. Office—2308 San Felipe Rd., Hollister, Calif. Underwriter—Wilson, Johnson & Higgins, San Francisco, Calif.

★ McGowen Glass Fibers Corp. (5/31-6/3)

April 27 (letter of notification) 150,000 shares of common stock (par one cent). Price—\$2 per share. Proceeds—For general corporate purposes. Office—829 Newark Avenue, Elizabeth, N. J. Underwriter—Simmons, Rubin & Co., Inc., New York, N. Y.

Medallion Pictures Corp. (5/16-20)

March 29 (letter of notification) \$300,000 of 6½% convertible subordinated debentures due March 30, 1968. Price—At 100%. Proceeds—For general corporate purposes. Office—200 W. 57th Street, New York 18, N. Y. Underwriter—Hancock Securities Corp., New York, N. Y.

Metalcraft Inc.

March 28 (letter of notification) 85,700 shares of common stock (par 10 cents). Price—\$3.50 per share. Proceeds—For general corporate purposes. Office—8608-130th Street, Richmond Hill 18, N. Y. Underwriters—First Broad Street Corp.; Bruno-Lenchner Inc., Pittsburgh, Pa.; Russell & Saxe; V. S. Wickett & Co., Inc. and Street & Co., New York, N. Y.

Miami Tile & Terrazzo, Inc.

March 11 filed 125,000 shares of common stock (par \$1). Price—\$4 per share. Proceeds—\$150,000 as reduction of temporary bank loans, \$140,000 in reduction of accounts payable, \$65,000 to repay notes and loans payable to Barney B. and Nathan S. Lee, and the balance for general corporate purposes. Office—6454 N. E. 4th Ave., Miami, Fla. Underwriter—Plymouth Bond & Share Corp., Miami, Fla.

Michigan Wisconsin Pipe Line Co. (6/1)

April 20 filed \$30,000,000 of first mortgage pipe line bonds, series due 1980. Proceeds—For construction program. Office—500 Griswold Street, Detroit, Mich. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc. Bids—Expected to be received up to 11 a.m. (EDST) on June 1, Suite 1730, 165 Broadway, New York. Information Meeting—Scheduled for 11:30 a.m. (EDST), May 31, 5th floor, 20 Exchange Place, New York City.

★ Micro Metals Corp.

May 3 (letter of notification) 97,000 shares of common stock (par 10 cents). Price—\$3 per share. Proceeds—For general corporate purposes. Office—180 Spring St., Paterson, N. J. Underwriter—None.

Midwestern Gas Transmission Co.

April 22 filed \$60,000,000 of first mortgage pipe line bonds, series due June 1, 1980, with attached warrants for the purchase of 240,000 shares of common stock (par \$5). The bonds will be offered in denominations of \$1,000 with attached warrants for the purchase of four shares of common stock at \$15 per share on and after Jan. 1, 1964 through Dec. 31, 1973. Price—To be supplied by amendment. Proceeds—To finance construction of two natural gas pipe line systems. Office—Tennessee Building, Houston, Texas. Underwriters—Stone & Webster Securities Corp.; White, Weld & Co., and Halsey, Stuart & Co. Inc., all of New York. Offering—Expected in late May.

Midwestern Indemnity Co.

March 25 (letter of notification) 15,832 shares of common stock (par \$5) to be offered for subscription by stockholders of record at the close of business on March 4, 1960 in the ratio of one share for each three shares held. Offering expires on May 5, 1960. Price—\$17 per share. Proceeds—For working capital. Address—Cincinnati, Ohio. Underwriter—W. D. Gradison & Co., Cincinnati, Ohio.

Miller & Van Winkle Co. (5/23-27)

April 7 (letter of notification) 75,000 shares of class A stock (par 10 cents). Price—\$3 per share. Proceeds—For general corporate purposes. Office—155 Sherman Ave., Paterson, N. J. Underwriter—Whitmore, Bruce & Co., New York, N. Y.

Milwaukee Gas Light Co. (5/17)

March 25 filed \$22,000,000 of first mortgage bonds, series due 1985. Proceeds—Together with \$4,000,008 to be received from the sale of additional common stock to American Natural Gas Co. (parent) and treasury funds, will be used to pay off \$11,115,000 of bank borrowings for construction purposes and to provide additional funds for current construction expenditures or reimburse the company's treasury therefor. Office—626 East Wisconsin Ave., Milwaukee, Wis. Underwriter—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; Kidder, Peabody & Co.; Kuhn, Loeb & Co. and Blyth & Co., Inc. (jointly). Bids—Tentatively to be received on May 17 at 10:30 a.m. (EDST) at the offices of the American Natural Gas Co., Suite 1730, 165 Broadway, New York City. Information Meeting—Scheduled for May 16 at 11:00 a.m. (EDST) 18th floor, 70 Broadway, New York City.

Missile Electronics, Inc. (5/16-20)

Feb. 5 filed 214,500 shares of common stock, of which 200,000 shares will be sold for the company's account and the remaining 14,500 shares will be offered for the account of certain selling stockholders. Price—\$3 per share. Proceeds—For general corporate purposes. Office—89 West 3rd St., New York City. Underwriter—Pleasant Securities Co. of Newark, N. J.

Mister Service, Inc. (5/16-20)

April 11 (letter of notification) 80,000 shares of common stock (par 20 cents). Price—\$2 per share. Proceeds—For general corporate purposes. Office—338 Lafayette Street, Newark, N. J. Underwriter—Jacey Securities Co., New York, N. Y.

★ Monarch Tile Manufacturing, Inc. (5/9-13)

March 22 filed 58,337 shares of common stock (par \$5) of which 30,000 shares are to be offered for public sale in behalf of the issuing company, and the remaining 28,337

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shares are to be offered for the accounts of certain selling stockholders. **Price**—To be supplied by amendment. **Proceeds**—For repayment of bank loans and for general corporate purposes. **Office**—Oakes Street at Avenue B, San Angelo, Texas. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas.

★ **Monowall Homes, Inc.**
April 22 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—To pay an outstanding note, purchase of land, equipment and for working capital. **Office**—546 Equitable Building, Baltimore 2, Md. **Underwriter**—American Diversified Securities, Inc., Washington, D. C.

★ **Monsanto Chemical Co.**
April 29 filed 450,000 shares of common stock, to be issued pursuant to the company's Second Employees' Stock Plan. **Office**—St. Louis, Mo.

★ **Mount Baker Mining & Milling Co.**
April 26 (letter of notification) 24,000 shares of class B common stock (no par). **Price**—\$10 per share. **Proceeds**—For mining and milling expenses. **Address**—Box 84, Maple Falls, Whatcom County, Wash. **Underwriter**—None.

★ **Namm-Loeser's Inc. (5/31)**
April 27 filed 217,278 shares of common stock (par \$1). The company proposes to offer 108,000 shares of new common stock for subscription by holders of outstanding stock of record May 31, at the rate of one new share for each three shares held. Arebec Corp., of New York, which owns 109,278 common shares, has entered into an agreement to sell said shares to the underwriter. **Price**—To be supplied by amendment. **Proceeds**—To be added to company's general funds and will enable it to use all or part of the proceeds in the reduction of bank indebtedness. **Office**—2301 Woodward Ave., Detroit, Mich. **Underwriter**—Ladenburg, Thalmann & Co., New York.

★ **National Cash Register Co. (5/31-6/3)**
April 29 filed \$40,000,000 of sinking fund debentures, due June 1, 1985. **Price**—To be supplied by amendment. **Proceeds**—To repay current bank loans and for working capital. **Office**—Main and K Sts., Dayton, Ohio. **Underwriter**—Dillon, Read & Co., Inc., New York. **Listing**—Application will be made to list the debentures on the New York Stock Exchange.

★ **National Electronic Tube Corp.**
April 29 (letter of notification) 150,000 shares of common stock (par five cents). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Office**—88 Cortlandt Street, New York 7, N. Y. **Underwriter**—None.

★ **National Old Line Life Insurance Co. (5/24)**
April 12 filed 128,329 shares of class BB (non-voting) common stock, of which 43,329 shares are to be offered for the account of the issuing company and 80,000 shares representing outstanding stock, are to be offered for the account of the present holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes. **Office**—Little Rock, Ark. **Underwriter**—Equitable Securities Corp., Nashville, Tenn.

★ **National Lawnservice Corp. (5/9-13)**
Jan. 11 (letter of notification) 100,000 shares of common stock (par one cent). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—410 Livingston Avenue, North Babylon, N. Y. **Underwriter**—Fund Planning Inc., New York, N. Y.

★ **National Packaging Corp. (5/10)**
March 30 filed 60,000 of common capital stock (par \$1). **Price**—\$6 per share. **Proceeds**—To retire \$87,000 of indebtedness, to purchase \$18,000 of additional machinery and equipment, to set up a small plant (at cost of \$28,000) on the West Coast to service the fruit tray and vegetable tray business in that area, and for working capital. **Office**—3002 Brooklyn Ave., Fort Wayne, Ind. **Underwriter**—First Securities Corp., 212 W. Jefferson St., Ft. Wayne, Ind.

★ **National Union Life Insurance Co.**
March 29 (letter of notification) 50,000 shares of common stock (par 50 cents). **Price**—\$4 per share. **Proceeds**—For expenses in the operation of an insurance company. **Address**—Montgomery, Ala. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

★ **Newark Electronics Corp. (5/16-20)**
March 17 filed 200,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office**—223 West Madison St., Chicago, Ill. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Ill.

★ **New Jersey Aluminum Extrusion Co., Inc. (5/10)**
March 10 filed 110,000 shares of class A capital stock, of which 50,000 shares will be issued by the company and 60,000 shares are outstanding and will be offered by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and be available for general corporate purposes. **Office**—New Brunswick, N. J. **Underwriter**—Laird & Company Corp., New York and Wilmington, Del.

★ **New Jersey Natural Gas Co. (5/6)**
March 29 filed \$3,830,000 of convertible debentures, series due 1970, to be offered to holders of its outstanding common stock at the rate of \$4 principal amount of convertible debentures for each share held. The debentures will be sold at principal amount in denominations of \$50, \$100, \$500, \$1,000 and multiples of \$1,000. **Proceeds**—To be applied to the partial payment of short-term bank loans outstanding in the amount of \$5,000,000 and obtained in connection with the company's construction program. **Office**—601 Bangs Ave., Asbury Park, N. J. **Underwriter**—Allen & Co., New York.

★ **North Central Co. (5/27)**
March 11 filed 420,945 shares of common stock (par \$1). The company proposes to offer 142,860 shares for cash sale at \$7 per share. Additional shares (amount unspecified) are to be offered in exchange for outstanding shares of North Central Life Insurance Co., of St. Paul. The rate of exchange is to be supplied by amendment. **Proceeds**—To be added to the general funds of the company. **Office**—335 Minnesota St., St. Paul, Minn. **Underwriter**—None.

★ **North Washington Land Co.**
May 3 filed \$1,600,000 of first mortgage participation certificates. **Price**—The certificates will be offered at a discount of 17.18% from face value. **Proceeds**—For the primary purpose of refinancing existing loans. **Office**—1160 Rockville Pike, Rockville, Md. **Underwriter**—Investor Service Securities, Inc.

★ **Northwest Natural Gas Co.**
April 26 (letter of notification) 14,928 shares of common stock (par \$9.50) not to exceed \$300,000 in aggregate, to be offered to employees pursuant to an Employee Stock Purchase Plan. **Price**—At 92% of the published bid price on the day of purchase. **Proceeds**—For working capital. **Office**—920 S. W. Sixth Ave., Portland, Ore. **Underwriter**—None.

★ **Nuclear Engineering Co., Inc.**
April 18 (letter of notification) 30,000 shares of common stock (par 33.3 cents). **Price**—\$10 per share. **Proceeds**—To replace bank financing, reduce accounts payable, purchase machinery and equipment and for working capital. **Office**—65 Ray St., Pleasanton, Calif. **Underwriter**—Pacific Investment Brokers, Inc., Seattle, Wash.

★ **Obear-Nester Glass Co. (5/23-27)**
April 14 filed 210,045 shares of common stock (no par). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—Broadway and 20th, East St. Louis, Ill. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc., New York.

★ **Oil Shale Corp.**
March 30 filed 300,000 shares of common stock, to be offered to the holders of its outstanding common stock. The subscription date and record date will be supplied by amendment. **Price**—\$2.50 per share. **Proceeds**—For general corporate purposes. **Office**—9489 Dayton Way, Beverly Hills, Calif. **Underwriter**—None.

★ **OK Rubber Welders, Inc. (5/9-13)**
Mar. 29 filed 50,000 shares common stock (par \$10). **Price**—To be supplied by amendment. **Proceeds**—Together with the proceeds of a \$1,100,000 insurance company loan and \$700,000 realized from the sale of installment notes to its wholly-owned subsidiary finance company, OK Acceptance Corp., will be used to reduce bank loans in the amount of \$1,300,000; to repay other indebtedness in the amount of \$228,600; and the balance of approximately \$800,000 will be added to working capital. **Office**—551 Rio Grande Avenue, Littleton, Colo. **Underwriter**—Bosworth, Sullivan & Co., Inc., Denver, Colo.

★ **Otarion Listener Corp. (5/9-13)**
March 28 filed 141,750 shares of common stock (par 10c). **Price**—\$4 per share. **Proceeds**—Company will apply \$150,000 to repay existing short-term obligations to banks; \$60,000 in payment for the net assets and name of Taconic Factors, Inc., the stock of which is presently owned by Leland E. Rosemond, President and Board Chairman of Otation; \$100,000 for dealer and consumer advertising of the company's new model hearing aids; \$40,000 for the establishment of production and sales facilities of a low-cost hearing aid in the European common market; \$35,000 for research and development of subminiature products; and the balance of approximately \$100,000 to be added initially to working capital and used for general corporate purposes, including financing of finished and semi-finished inventory. **Office**—Scarborough Park, Ossining, N. Y. **Underwriter**—D. A. Lomasney & Co., New York.

★ **Ott Chemical Co. (5/23-26)**
March 17 filed \$450,000 of convertible subordinated debentures due May 1, 1970. The company proposes to offer the debentures for subscription by common stockholders of record May 1, 1960, at the rate of a \$100 debenture for each 3.11 shares then held. **Price**—100% of principal amount. **Proceeds**—For retirement of a note, for additional and improvements to properties, for equipment and the balance for working capital and other purposes. **Office**—500 Agard Road, Muskegon, Mich. **Underwriter**—H. M. Byllesby & Co., Inc., Chicago, Illinois.

★ **Oxford Manufacturing Co., Inc.**
May 3 filed 240,000 shares of class A common stock (par \$1), of which 160,000 shares are now outstanding and are to be offered for public sale by the present holders thereof and the remaining 80,000 shares will be offered by the issuing company. **Price**—To be supplied by amendment. **Proceeds**—\$150,000 will be used for the purchase of additional machinery and equipment to be installed in certain new manufacturing plant facilities, construction of which has been completed; the balance of the proceeds will be used for general corporate purposes. **Office**—151 Spring Street, N. W., Atlanta, Ga. **Underwriters**—W. C. Langley & Co., New York; and Courts & Co., Atlanta and New York.

★ **Pacemaker Boat Trailer Co., Inc. (5/6)**
Feb. 29 (letter of notification) 300,000 shares of common stock (par 10 cents). **Price**—\$1 per share. **Proceeds**—For purchase of equipment, raw materials and working capital. **Office**—622 E. Glenolden Ave., Glenolden, Pa. **Underwriters**—Jacey Securities Co., and First City Securities, Inc., New York, N. Y.

★ **Pacific Coast Properties, Inc. (5/31-6/3)**
April 19 filed 2,610,301 shares of common stock (par \$1), of which 917,835 shares will be offered at \$10 per share to the holders of Food Giant Markets, Inc. common,

preferred, and employee stock options. **Price**—For remainder of offering to be supplied by amendment. **Proceeds**—\$906,000 toward cost of property acquisition and the remainder for general corporate purposes. **Office**—Beverly Hills, Calif. **Underwriter**—Bear, Stearns & Co.

★ **Pacific Panel Co. (5/23-27)**
Feb. 8 filed 100,000 shares of class A common stock, subsequently increased to 150,000 shares (par 50 cents). **Price**—\$3. **Proceeds**—For reduction of indebtedness, for working capital; for establishment of three additional outlets and to provide additional working capital for a new subsidiary. **Office**—1212 West 26th Street, Vancouver, Wash. **Underwriter**—Frank Karasik & Co., Inc.

★ **Pacific Vegetable Oil Corp. (5/23-27)**
March 24 filed \$2,500,000 of convertible subordinated debentures due April 1975. **Price**—To be supplied by amendment. **Proceeds**—\$600,000 will be used to retire a like amount of 6 1/4% promissory notes; \$431,250 to pay the balance of the negotiated price for the minority interest of Utah Construction & Mining Co. in Stockton Elevators, a subsidiary; and the balance for working capital. **Office**—62 Townsend St., San Francisco, Calif. **Underwriters**—Dean Witter & Co., San Francisco and New York, and Hooker & Fay, Inc., of San Francisco, Calif.

★ **Patrick County Canning Co., Inc. (5/31-6/3)**
March 25 filed 140,000 shares of common stock. **Price**—\$3 per share. **Proceeds**—About \$162,000 will be applied to the payment of certain indebtedness; \$25,000 for additional machinery and equipment; and \$118,752 for working capital, promotion and advertising. **Office**—52 Broadway, New York. **Underwriter**—G. Everett Parks & Co., Inc., New York.

★ **Pearson Corp.**
March 30 filed 50,000 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—\$60,000 will be utilized to repay the company's indebtedness to Business Development Co. of Rhode Island; the balance will be added to working capital for general corporate purposes, principally to finance inventory and for other manufacturing costs. **Office**—1 Constitution St., Bristol, R. I. **Underwriter**—R. A. Holman & Co., Inc., New York. **Offering**—Expected in June.

★ **Pendleton Tool Industries, Inc. (5/16-20)**
March 25 filed 50,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To retire a 5% note given to the V-T Co. in partial payment of its business and certain of its assets, and the remainder of the net proceeds will be added to working capital. **Office**—2209 Santa Fe Ave., Los Angeles, Calif. **Underwriters**—Kidder, Peabody & Co., New York; and McDonald & Co., Cleveland, Ohio.

★ **Pennsylvania Electric Co. (5/9)**
March 10 filed \$12,000,000 of first mortgage bonds, due May 1, 1990. **Proceeds**—To be applied to the company's 1960 construction program, or to partially reimburse its treasury for previous expenditures for that purpose. **Office**—222 Levergood St., Johnstown, Pa. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., Eastman Dillon, Union Securities & Co., Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); The First Boston Corp.; Harriman Ripley & Co. Inc. and Blyth & Co., Inc. (jointly); Equitable Securities Corp. **Bids**—Expected May 9 at 12 noon New York time at the offices of General Public Utilities Corp., 67 Broad St., New York City. **Information Meeting**—Scheduled for May 6 between 10:00 a.m. and 12 noon.

★ **Peoples Telephone Corp.**
March 29 filed 15,250 shares of common stock (par \$50) to be offered to stockholders of record on May 13, 1960, at the rate of one additional share for each two shares then held with rights to expire at 3:30 p.m. (EDT) on June 15. **Price**—\$75 per share. **Proceeds**—\$1,100,000 will be used to repay in part short-term bank loans of \$1,600,000 incurred during 1959 to provide funds for the company's continuing program of modernization, improvement and expansion; the balance of the proceeds will be added to its general funds. **Office**—218 South Washington Street, Butler, Pa. **Underwriter**—None.

★ **Philippine Oil Development Co., Inc.**
March 30 filed 103,452,615 shares of capital stock, to be offered for subscription by stockholders at the rate of one new share for each 5 1/2 shares held. **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital. **Office**—Soriano Bldg., Manila, Philippines. **Underwriter**—None.

★ **Pioneer Metals, Inc. (5/31-6/3)**
April 20 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—To retire outstanding bank loans, inventory purchases, expansion and for working capital. **Office**—1900 N. E. Miami Court, Miami, Fla. **Underwriter**—Hancock Securities Corp., New York, N. Y.

★ **Piper Aircraft Corp. (5/23-27)**
April 15 filed 100,000 shares of common stock, (par \$1). **Price**—To be related to the current market for outstanding shares at the time of offering. **Proceeds**—To repay a \$1,000,000 short-term bank loan. **Office**—820 East Bald Eagle St., Lock Haven, Pa. **Underwriter**—The First Boston Corp., New York.

★ **Plastic & Fibers, Inc.**
Jan. 18 (letter of notification) 85,714 shares of common stock (par 40 cents). **Price**—\$3.50 per share. **Proceeds**—For general corporate purposes. **Office**—Whitehead Ave., South River, N. J. **Underwriter**—Arnold Malkan & Co., Inc., New York, N. Y.

★ **Precision Circuits, Inc. (5/23)**
March 7 filed \$250,000 of convertible subordinated debentures, due April 1, 1970, and 37,500 shares of common

stock (par 20 cents) to be offered in units consisting of one \$100 debenture and 15 common shares. **Price**—\$150 per unit. **Proceeds**—For equipping of new facilities, and for general corporate purposes. **Office**—705 South Fulton Avenue, Mount Vernon, N. Y. **Underwriter**—Myron A. Lomasney & Co., New York.

● Premier Industrial Corp. (5/6-9)

March 28 filed 212,500 outstanding shares of common stock (par \$1) of which 200,000 shares will be offered for public sale and 12,500 shares to employees of the company by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—4415 Euclid Avenue, Cleveland, Ohio. **Underwriter**—A. G. Becker & Co. Inc., New York and Chicago.

Pyramid Electric Co.

April 1 filed 89,675 shares of common stock to be issued to holders of the company's outstanding stock purchase warrants at the rate of one share for each warrant at a price of \$3.25 per share. The warrants were issued in and after May, 1954, in connection with a previous public offering and included 46,000 to the underwriter, S. D. Fuller & Co., and 46,000 to the company's officers and employees. At present there are 89,675 warrants outstanding. The warrants are exercisable until June 25, 1960. **Office**—52 Broadway, New York. **Offering**—Expected in late May.

Pyramid Mouldings, Inc. (5/9-13)

March 30 filed 158,000 shares of common stock (par \$1) of which 3,588 shares are to be offered for public sale by the issuing company and the balance, being outstanding stock, by present holders thereof. **Price**—\$11 per share. **Proceeds**—to be added to the company's working capital and used for general corporate purposes. **Office**—5353 West Armstrong Ave., Chicago, Ill. **Underwriters**—A. C. Allyn & Co., Inc., and Shillinglaw, Bolger & Co., both of Chicago, Ill.

Rajac Self-Service, Inc. (5/16)

March 18 (letter of notification) 100,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—11 E. Second Street, Mt. Vernon, N. Y. **Underwriter**—Walter R. Blaha & Co., Inc., Long Island City, N. Y.

● Raymond Corp. (5/10-13)

March 22 (letter of notification) 15,000 shares of common stock (par \$5). **Price**—\$20 per share. **Proceeds**—For general corporate purposes. **Office**—Village of Greene, County of Chenango, of New York. **Underwriter**—George D. B. Bonbright & Co., Rochester, New York.

Reeves Broadcasting & Development Corp. (5/31-6/3)

March 30 filed 487,392 shares of common stock, of which 300,000 shares are to be publicly offered and 187,392 shares are to be purchased by Christiana Oil at \$4.75 per share and distributed as a dividend to its 2,800 stockholders. **Price**—\$5 per share. **Proceeds**—To pay a \$110,000 bank note and for general corporate purposes. **Office**—304 East 44th St., New York. **Underwriter**—Laird & Co. Corp., New York.

Reliance Manufacturing Co. (5/9-13)

March 28 filed 150,000 shares of common stock (par \$5), of which 40,000 shares are to be offered for public sale for account of company. The remaining 110,000 shares are now outstanding and are to be offered for sale by the present holder thereof. **Price**—To be supplied by amendment. **Proceeds**—For repayment of short-term bank debt. **Office**—350 Fifth Ave., N. Y. **Underwriter**—Glore, Forgan & Co., New York.

Renner, Inc. (5/9-13)

March 11 (letter of notification) 75,000 shares of common stock (par 50 cents). **Price**—\$4 per share. **Proceeds**—For working capital. **Office**—1530 Lombard St., Philadelphia, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ Republic Ambassador Associates

April 29 filed \$10,000,000 of Limited Partnership Interests, to be offered in units. **Price**—\$10,000 per unit. **Proceeds**—To purchase hotels in Chicago from a Webb & Knapp subsidiary. **Office**—111 West Monroe Street, Chicago, Ill. **Underwriter**—Lee Higginson Corp., New York. **Offering**—Expected in late June.

★ Republic Graphics Inc. (5/31-6/3)

April 29 (letter of notification) 75,000 shares of common stock (par 10 cents). **Price**—\$4 per share. **Proceeds**—For general corporate purposes. **Office**—134 Spring Street, New York, N. Y. **Underwriters**—Theodore Arrin & Co., Inc., 82 Beaver Street, New York, N. Y.; T. M. Kirsch & Co., and Robert A. Martin Associates, Inc., New York, N. Y.

● Ritter Finance Co., Inc. (5/9-13)

March 16 filed \$1,500,000 of 6½% debentures due May 1, 1975 and warrants for the purchase of 75,000 class B common shares up to April 30, 1970. It is proposed to offer these securities of public sale in units, each consisting of one \$1,000 debenture and a warrant for 50 class B shares. **Price**—\$1,000 per unit. **Proceeds**—To be added to the company's general funds and used initially to reduce bank loans. **Office**—Church Road and Greenwood Ave., Wyncote, Pa. **Underwriter**—Stroud & Co., Inc., Philadelphia, Pa.

★ Safficraft Corp., Patterson, La. (5/31-6/3)

April 29 filed 275,000 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—The company proposes to use \$50,000 to expand its efforts in the sale of Safficraft boats nationally; \$250,000 for reduction of short-term borrowings; and the remaining \$293,500 to be advanced to du Pont, Inc. as additional working capital necessary in the financing of increased inventories and receivables incident to the increased sales volume of Dupont. **Underwriter**—George, O'Neill & Co., Inc., New York.

● Savannah Newspapers, Inc. (6/8)

April 20 filed 480,000 shares of common stock (par \$1). **Price**—\$5.25 per share in lots of 20,000 or more; otherwise \$5.55 per share. **Office**—Savannah, Ga. **Underwriter**—Johnson, Lane, Space Corp., Savannah, Ga.

● Schaevitz Engineering (5/9-13)

March 29 (letter of notification) 100,000 shares of class A common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Address**—U. S. Route 130 and Schaevitz Boulevard Pennsauken Township, N. J. **Underwriter**—Woodcock, Moyer, Fricke & French, Inc., Philadelphia, Pa.

Scott Aviation Corp.

Mar. 29 filed 169,680 shares common stock (par \$1), of which 62,000 shares are to be offered for public sale by issuing company and 107,680 shares, being outstanding stock, by the holders thereof, 8,000 shares are to be reserved for allotment to directors, officers and employees of the company. **Price**—To be supplied by amendment. **Proceeds**—To pay off \$300,000 of bank indebtedness and for general working capital purposes. **Office**—225 Erie St., Lancaster, N. Y. **Underwriter**—The First Cleveland Corp., Cleveland, Ohio. **Offering**—Expected in mid-May.

Security Industrial Loan Association (5/23-27)

April 13 filed \$500,000 of 7% convertible subordinated debentures due May 1, 1975, and 50,000 shares of common stock. **Prices**—To be supplied by amendment. **Proceeds**—To be available for loans to customers. **Office**—Central National Bank Building, Richmond, Va. **Underwriter**—Lee Higginson Corp., New York.

Service Instrument Corp. (5/16-20)

March 23 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—\$1.50 per share. **Proceeds**—For general corporate purposes. **Office**—693 Broadway, New York, N. Y. **Underwriter**—Pearson, Murphy & Co., Inc., New York, N. Y.

★ Shellmak Corp.

May 2 (letter of notification) 150,000 shares of common stock. **Price**—At par (\$2 per share). **Proceeds**—For general corporate purposes. **Office**—14702 Hawthorne Boulevard, Lawndale, Calif. **Underwriter**—Binder & Co. Inc., Los Angeles, Calif.

● Sierra Electric Corp. (5/23-27)

March 29 filed 100,000 shares of common stock, of which 80,000 shares are to be sold for the account of the issuing company and 20,000 shares are to be sold for the account of the present holder thereof. **Price**—\$9 per share (par \$1). **Proceeds**—To reduce bank loans and for working capital. **Office**—Gardena, Calif. **Underwriter**—Marron, Sloss & Co., Inc., New York City.

● Simmonds Precision Products, Inc. (5/23-27)

March 30 filed 112,500 shares of common stock (par \$1) constituting its first public offering, of which 100,000 shares are to be offered for public sale by the issuing company and 12,500 shares being outstanding stock, by Geoffrey R. Simmonds, president. **Price**—To be supplied by amendment. **Proceeds**—To be added to company's working capital, thereby reducing the amount of funds required to be borrowed under its revolving credit agreement and putting the company in a more favorable position to secure, through borrowings, such additional funds as may be required from time to time. **Office**—105 White Plains Rd., Tarrytown, N. Y. **Underwriter**—Shearson, Hammill & Co., New York.

Sire Plan of Normandy Isle, Inc. (5/16)

March 9 filed \$225,000 of 10-year 7% debentures and 4,500 shares of \$3.50 cumulative, non-callable, participating preferred stock (par \$5), to be offered in units, each unit consisting of one \$50 debenture and one preferred share. **Price**—\$100 per unit. **Proceeds**—To finance acquisition. **Office**—Ingraham Bldg., Miami, Fla. **Underwriter**—Sire Plan Portfolios, Inc., New York.

Skyline Homes, Inc.

April 15 filed 115,000 shares of class A common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To be added to the company's working capital and used for general corporate purposes. **Office**—2520 By-Pass Road, Elkhart, Ind. **Underwriter**—Rodman & Renshaw, Chicago, Ill. **Offering**—Expected in mid-June.

Smilen Food Stores, Inc. (5/16-20)

March 25 filed in association with Heritage Industrial Corp. 200,000 shares of Smilen common (par \$1) and 200,000 shares of Heritage (par \$1). It is proposed to offer these securities for public sale in units, each unit consisting of one share of Smilen and one share of Heritage stock. **Price**—To be supplied by amendment. **Proceeds**—Smilen will use \$95,000 of its share of the proceeds for remaining payments under a contract for purchase of two supermarkets and commissary from Windmill Food Stores, Inc.; \$300,000 for inventory and supplies for the opening of three new supermarkets; \$300,000 to repay bank loans; and the balance for general corporate purposes. Heritage will use its share of the stock as follows: \$175,000 for construction and equipping of a supermarket in Franklin Square, L. I., to be leased to Smilen; \$500,000 to purchase fixtures and equipment to be leased to Smilen for use in the three supermarkets to be constructed for Smilen by others; \$25,000 to pay an indebtedness due Smilen; and the balance for general corporate purposes. **Office**—47-02 Metropolitan Ave., Brooklyn, N. Y. **Underwriter**—Federman, Stonehill & Co., New York City.

Southeastern Security Insurance Co.

March 25 filed 2,133,333 shares of common stock (par \$1), of which 1,633,333 shares are to be publicly offered; \$500,000 of these shares are reserved for the granting of restricted stock options to management officials and employees. **Price**—\$3 per share for public offering. **Proceeds**—To increase capital and surplus. **Office**—707

Market St., Knoxville, Tenn. **Underwriter**—Lucien L. Bailey & Co., Knoxville, Tenn.

● Southern Electric Generating Co. (6/2)

April 25 filed \$40,000,000 of first mortgage bonds, series of 1960 due June 1, 1992. **Proceeds**—For capital expenditures. **Office**—600 North 18th Street, Birmingham, Ala. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc., and Blyth & Co., Inc. (jointly); Morgan Stanley & Co.; White, Weld & Co. and Kidder, Peabody & Co. (jointly); Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. and Drexel & Co. (jointly). **Information Meeting**—Scheduled for May 31, 1960, at the First National City Bank of New York, 5th floor, 20 Exchange Place, New York City at 3:00 p.m. (EDST). **Bids**—Expected to be received on June 2, or subsequently on such day and time as shall be designated by the company by telegraphic notice to prospective bidders.

● Southern Nevada Telephone Co. (5/10)

March 16 filed 100,000 shares of \$25 par cumulative convertible preferred stock. **Price**—\$27 per share. **Proceeds**—To retire some \$2,000,000 of bank loans and to finance in part the company's continuing construction program. **Office**—125 Las Vegas Blvd. South, Las Vegas, Nev. **Underwriter**—Dean Witter & Co. of San Francisco and New York.

● Southwest Forest Industries, Inc. (5/18)

Jan. 29 filed \$12,000,000 of 6¼% subordinated income debentures, due Jan. 1, 1985 and 360,000 shares of common stock (par \$1), to be offered in units of \$100 of debentures and 3 shares of common. **Price**—To be supplied by amendment. **Proceeds**—For working capital and the construction of new plant. **Office**—444 First National Bank Building, Phoenix, Ariz. **Underwriter**—White, Weld & Co., New York City.

Southwest Indemnity & Life Insurance Co. (6/1)

Mar. 29 filed 238,590 shares of common stock (no par). The company proposes to offer this stock for subscription by common stockholders of record May 1, 1960, at the rate of one new share for each 2½ shares then held. Unsubscribed shares will be offered to certain persons, some of whom are directors and stockholders of the company, together with stock purchase warrants for 23,859 shares, for purchase for investment. **Price**—To be supplied by amendment. **Proceeds**—To be used for the company's general insurance business, thus enabling the company to acquire additional reinsurance agreements with other insurance companies, service such agreements and meet legal reserve requirements with respect to additional insurance in force thus acquired. **Office**—2013 Cedar Springs, Dallas, Tex. **Underwriter**—None.

Southwestern Oil Producers, Inc.

March 23 filed 700,000 shares of common stock. **Price**—\$2 per share. **Proceeds**—For the drilling of three wells and the balance for working capital. **Office**—2720 West Mockingbird Lane, Dallas.

★ (A. G.) Spalding & Bros. Inc.

May 2 filed 85,484 shares of common stock, to be offered for subscription on the basis of one new share for each 10 shares held of record June 7, 1960. **Price**—\$20 per share. The Pyramid Rubber Co., the largest individual stockholder, owning 178,978 shares, has agreed to purchase at the offering price within five days after the expiration of the subscription offer (June 24, 1960), all of the stock not sold to the company's stockholders. Pyramid Rubber may within 30 days thereafter resell for investment at the offering price some of the stock it shall acquire to other persons (not exceeding 15) who may be stockholders, officers or directors of the company. **Office**—Chicopee, Mass. **Underwriter**—None.

● Spartans Industries, Inc. (5/16-20)

March 31 filed 120,000 outstanding shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—1 West 34th St., New York. **Underwriters**—Shearson, Hammill & Co., and J. C. Bradford & Co., both of New York.

★ Speed-Way Food Stores Inc.

April 27 (letter of notification) 150,000 shares of common stock (par one cent). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Office**—847 E. New York Avenue, Brooklyn, N. Y. **Underwriter**—J. J. Krieger & Co., Inc., New York, N. Y.

● Spring Street Capital Co. (5/9-13)

March 1 filed 3,000 shares of common stock (par \$100) to be offered in units of five shares at \$1,000 per share. **Proceeds**—For loans to and the purchase of securities of certain business concerns. It may also use a portion of the proceeds to pay the costs and expenditures incidental to its operations until such time as it has an income from its loans and investments. **Office**—650 South Spring St., Los Angeles, Calif. **Underwriter**—William R. Staats & Co., Los Angeles, Calif.

● Squan Marina, Inc. (5/6)

March 18 (letter of notification) 150,000 shares of class A common stock (par \$1). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Address**—Route 70 & Upper Manasquan River Bridge, Brielle, N. J. **Underwriter**—B. Fennekohl & Co., New York, N. Y.

● Straza Industries (5/9-13)

March 14 filed 230,000 shares of capital stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—For general corporate purposes and working capital. **Office**—790 Greenfield Drive, El Cajon, Calif. **Underwriter**—J. A. Hogle & Co., of Salt Lake City and New York.

Sun Rubber Co.

Feb. 26 filed \$1,000,000 of 6% subordinated debentures due April 1, 1975, and 100,000 shares of common stock (no par), to be offered in units of \$100 of debentures

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and 10 shares of common stock. **Price**—\$100 per unit. **Proceeds**—To be used in reorganization. **Office**—366 Fairview Ave., Barberton, Ohio. **Underwriter**—McDonald & Co., Cleveland, Ohio.

Superior Electric Co. (5/9-13)

March 17 filed 150,000 shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—For construction. **Office**—Bristol, Conn. **Underwriter**—Lee Higginson Corp., New York City.

Swimming Pool Development Co., Inc. (5/31-6/3)

April 15 filed 250,000 shares of common stock (par \$1). **Price**—\$5 per share. **Proceeds**—Primarily for additional working capital. **Office**—Florence, Ala. **Underwriter**—Marron, Sloss & Co., Inc., New York.

Szemco, Inc.

March 28 (letter of notification) 200,000 shares of common stock (par 10 cents). **Price**—To be supplied by amendment, and not to exceed \$1.50 per share. **Proceeds**—For working capital. **Office**—c/o Otto Edward Szekely, 112 Washington St., Commerce, Ga. **Underwriter**—Frank B. Bateman, Ltd., Palm Beach, Fla.

Tayco Developments, Inc.

Dec. 23 filed 5,390 shares of common stock being offered for subscription by common stockholders of record April 22 at the rate of ten seventy-fifths of a share for each share held. **Price**—\$28.75 per share, with rights to expire on May 6 at 12:30 EDST. **Proceeds**—For capital and to secure additional patents on present inventions, and to continue and expand research and development work in the field of liquid compressibility devices and other areas. **Office**—188 Webster St., North Tonawanda, N. Y. **Underwriter**—C. E. Stoltz & Co., New York.

Taylor Devices, Inc.

Dec. 23 filed 18,705 shares of common stock (par 25 cents), being offered for subscription by common stockholders of record April 22 on the basis of 3 shares for each 5 shares held. **Price**—\$28.75 per share, with rights to expire on May 6 at 12:30 p.m. EST. **Proceeds**—to repay a short-term loan, for additional working capital, and to establish expanded executive sales and manufacturing personnel and to continue research and development, and the balance to lease or purchase additional factory and office space. **Office**—188 Webster St., North Tonawanda, N. Y. **Underwriter**—C. E. Stoltz & Co., N. Y.

Telecomputing Corp. (5/17)

April 11 filed 100,000 outstanding shares of common stock (par \$1). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholder. **Office**—915 North Citrus Ave., Los Angeles, Calif. **Underwriter**—Dean Witter & Co., New York City and Los Angeles.

Telectro Industries Corp. (5/9-13)

March 21 filed \$1,000,000 of 6½% convertible subordinated debentures due 1970. **Price**—100% of principal amount. **Proceeds**—To be used to eliminate an outstanding bank loan of \$700,000 and to provide additional working capital, to be used in part to reduce outstanding accounts payable. **Office**—35-16 37th Street, Long Island City, N. Y. **Underwriter**—Milton D. Blauner & Co., Inc., N. Y. C.

Teleregister Corp. (5/9-13)

March 30 filed \$6,000,000 of 6% subordinated sinking fund debentures, due May 1980 (with attached warrants) and 240,000 shares of common stock (no par). These securities are to be offered for sale in units, each consisting of a \$1,000 debenture (with 5-year warrants to purchase 20 common shares initially at \$15 per share) and 40 shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—For repayment of current credit agreement with bank and the balance will be applied to the company's construction program. **Office**—445 Fairfield Ave., Stamford, Conn. **Underwriters**—Ladenburg, Thalmann & Co., Bear, Stearns & Co. and Sutro Bros., all of New York.

Teletay Electronics Systems, Inc. (5/6)

Jan. 27 filed 150,000 shares of class A common stock. **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—880 Bonifant Street, Silver Spring, Md. **Underwriter**—Miller & Co., Inc., Philadelphia, Pa.

Texas Eastern Transmission Corp. (5/25)

April 11 filed \$25,000,000 of debentures, due 1980. **Price**—To be supplied by amendment. **Proceeds**—For the reduction of indebtedness and for construction expenses. **Office**—Houston, Texas. **Underwriter**—Dillon, Read & Co., Inc., New York City.

Thermal Industries of Florida, Inc. (5/16-20)

Feb. 26 filed 120,000 shares of common stock (par \$1). **Price**—\$6 per share. **Proceeds**—To be added to the company's general reserves. **Office**—Miami, Fla. **Underwriter**—Peter Morgan & Co., New York.

Thurrow Electronics, Inc.

March 28 filed 200,000 shares of class A common stock, (par \$2.50) of which 100,000 shares are to be offered for public sale by the issuing company and the balance by H. M. Carpenter, President. **Price**—\$3 per share. **Proceeds**—To be used as additional working capital for inventory and business expansion purposes. **Office**—121 South Water, Tampa, Fla. **Underwriter**—Donald V. Stabell, of St. Petersburg, Fla. **Offering**—Expected in the latter part of May.

Tourist Industry Development Corp.

March 22 filed \$2,250,000 of 7% subordinated debenture stock, due July 1, 1978, to be offered in denominations of \$500 and \$1,000 and multiples of \$1,000. **Price**—At 100% of principal amount. **Proceeds**—For general corporate purposes, including hotel and restaurant loans secured by real estate mortgages. **Office**—Jerusalem, Israel. **Underwriter**—None.

Trans Tech Systems, Inc. (5/23-27)

March 29 filed 65,000 shares of common stock (par one cent). **Price**—\$10 per share. **Proceeds**—For general corporate purposes. **Office**—5505 Wilshire Blvd., Los Angeles 48, Calif. **Underwriter**—Myron A. Lomasney & Co., New York.

★ Tri-County Hospital, Inc.

April 22 (letter of notification) \$300,000 of 7% debentures due Oct. 1, 1976. **Price**—At face value. **Proceeds**—For expenses in operating a hospital. **Office**—Sprout Rd. and Thomson Ave., Township of Springfield, Del. **Underwriter**—None.

★ Tri-Point Plastics, Inc.

March 15 (letter of notification) 150,000 shares of common stock (par 10 cents). **Price**—\$2 per share. **Proceeds**—For general corporate purposes. **Office**—175 I. U. Willets Road, Albertson, L. I., N. Y. **Underwriter**—Martinielli, Hindley & Co., Inc., New York, N. Y. **Note**—Amos Treat & Co., Inc., is no longer involved in the underwriting.

★ Union Carbide Corp.

April 28 filed 245,750 shares of common stock, to be issued to certain officers and employees pursuant to the company's incentive plan. **Office**—30 East 42nd Street, New York City, N. Y.

United American Life Insurance Co.

March 11 filed 50,000 shares of capital stock, to be offered for subscription by holders of outstanding stock in the ratio of one new share for each five shares held. **Price**—To be supplied by amendment. **Proceeds**—To increase capital and surplus. **Office**—1717 California St., Denver, Colo. **Underwriter**—None.

United Components, Inc. (5/16-20)

March 2 filed 110,000 shares of common stock, of which 10,000 shares are to be offered to Sheldon Leighton, a director, at \$2.50 per share and the remainder is to be publicly offered. **Price**—To be supplied by amendment. **Proceeds**—For new equipment, advertising, and other general corporate purposes. **Office**—Orange, N. J. **Underwriter**—Darius, Inc., New York City.

United Financial Corp. of California (5/16-20)

March 30 filed \$6,000,000 of convertible subordinated debentures due April 1, 1975, and 120,000 shares of capital stock, to be offered in units of \$100 of debentures and two capital shares. **Price**—To be supplied by amendment. **Proceeds**—Approximately \$1,000,000 will be used for general corporate purposes, and the balance will be distributed to holders of the capital stock prior to the issuance and sale of the units. **Office**—425 South La Brea Avenue, Inglewood, Calif. **Underwriter**—Lehman Brothers, New York City.

United States Boat Corp. (5/9-13)

March 28 filed 350,000 shares of common stock to be publicly offered. **Price**—\$2 per share. **Proceeds**—\$221,826 will be applied to the repayment of loans to United States Pool Corp. which were used for general corporate purposes, and the balance will be utilized for working capital, including a later repayment of \$45,000 to U. S. Pool Corp. **Office**—27 Haynes Avenue, Newark, N. J. **Underwriter**—Richard Bruce & Co., Inc., New York.

★ United States Gypsum Co.

May 2 filed 470,595 shares of common stock. Of this stock, 400,000 shares are being or may be offered to officers and other key employees under the company's Restricted Stock Option Plan. The remaining 70,595 shares are being registered for possible offering by stockholders of American Rock Wool for certain of its assets. When it liquidated, the latter distributed said shares to its stockholders, any of whom may offer to the public all or a portion of his shares. **Office**—300 West Adams Street, Chicago, Ill.

Universal Marion Corp.

March 29 filed 31,361 shares of 4½% cumulative preferred stock (\$100 par). **Price**—To be offered for sale in the over-the-counter market, or otherwise by public or private sale at \$95 per share, or such lesser price or prices which may be obtained. **Proceeds**—To selling stockholders. **Office**—602 Florida Theater Bldg., Jacksonville, Fla. **Underwriter**—None.

★ Universal Marion Corp.

April 15 filed 435,120 shares of common stock, to be offered for subscription by common stockholders at the rate of one new share for each four shares or fraction thereof. The record date is to be supplied by amendment. Common stock has no par value. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and be available for use in developing the company's tract of land near Tampa, Fla., for working capital and for possible acquisition of other properties. **Office**—602 Florida Theatre Bldg., Jacksonville, Fla. **Underwriter**—None.

Uranium Reduction Co. (5/9-13)

March 31 filed 200,000 outstanding shares of common stock (par 10 cents). **Price**—To be supplied by amendment. **Proceeds**—To selling stockholders. **Office**—557 First Security Bldg., Salt Lake City, Utah. **Underwriter**—A. C. Allyn & Co., Inc., Chicago, Ill.

★ Uris Buildings Corp. (5/9-13)

March 29 filed \$20,000,000 of 6½% sinking fund debentures due May 1, 1975 (with attached warrants to purchase 800,000 common shares) and 400,000 shares of common stock (par 10 cents). The offering will be made only in units, each unit consisting of (a) \$100 principal amount of debentures with an attached warrant to purchase four shares of common stock (b) two shares of common stock. **Price**—To be supplied by amendment. **Proceeds**—To repay loans, defray construction costs, and general corporate purposes. **Underwriter**—Kuhn, Loeb & Co., New York.

★ Vector Manufacturing Co., Inc. (5/16-20)

April 14 filed 250,000 shares of common stock (no par). Of this stock, 100,000 shares are to be offered for public sale by the issuing company and 150,000 shares, now outstanding, by the holders thereof. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—Southampton, Pa. **Underwriter**—Paine, Webber, Jackson & Curtis, New York.

Viewlex, Inc. (5/16)

April 12 filed 200,000 shares of class A common stock (par 25 cents). The offering will include 175,000 shares to be issued by the company and 25,000 shares which are outstanding and will be offered for the account of the holders thereof. **Price**—\$4 per share. **Proceeds**—\$100,000 will be used to purchase additional high speed automatic production equipment; \$150,000 for research and development of new products; \$75,000 to be reserved to cover the costs of moving present facilities into new and enlarged quarters; and the balance for working capital. **Office**—35-01 Queens Blvd., Long Island City, N. Y. **Underwriter**—Stanley Heller & Co., New York.

Vulcatron Corp. (5/10)

March 11 (letter of notification) 100,000 shares of common stock (par \$1). **Price**—\$3 per share. **Proceeds**—To set up a plant and equipment, to purchase machinery and equipment, and for working capital. **Office**—c/o William L. Berger, 209 Washington St., Boston, Mass. **Underwriter**—P. de Rensis & Co., Inc., Boston, Mass.

Wallace Properties, Inc. (5/31-6/3)

April 5 filed \$12,000,000 principal amount of 6% convertible subordinated debentures, due June 1, 1975 and 360,000 shares of common stock (par \$2), to be offered only in units, each consisting of \$100 principal amount of debentures and three shares of common stock. **Price**—To be supplied by amendment. **Office**—Dallas, Texas. **Underwriter**—Harriman Ripley & Co., Inc., New York.

Waltham Precision Instrument Co., Inc. (5/31-6/3)

April 15 filed 700,000 shares of common stock (par \$1). It is proposed that this offering will be on a subscription basis to the company's present common stockholders. **Price**—To be supplied by amendment. **Proceeds**—\$600,000 to pay the balance of the purchase price for Boesch Manufacturing Co., Inc. stock; \$350,000 to pay the 5% chattel mortgage note held by the Secretary of the U. S. Treasury as assignee of the Reconstruction Finance Corp.; \$200,000 to pay the 6% secured notes issued as part payment for the stock of Electro-Mec Laboratory, Inc.; and the balance for working capital and other corporate purposes. **Office**—221 Crescent St., Waltham, Mass. **Underwriter**—Schweickart & Co., New York.

★ Warren Industries, Inc. (6/13-20)

April 29 filed 275,000 shares of common stock (par \$1), of which 175,000 shares are to be issued and sold by the company and 100,000 shares which are outstanding and will be offered for the account of the holders thereof. **Price**—\$3 per share. **Proceeds**—\$50,000 to purchase new equipment; \$25,000 for research and development; \$25,000 for advertising and promotion; \$200,000 to acquire and open new facilities; \$23,649 for payment of notes to stockholders, and \$78,100 for working capital. **Office**—3701 N. W. 51st St., Miami, Fla. **Underwriter**—Merritt, Vickers, Inc., of New York City.

★ Weldotron Corp. (5/6-10)

March 23 (letter of notification) 66,666 shares of common stock (par 10 cents). **Price**—\$3 per share. **Proceeds**—For general corporate purposes. **Office**—841 Frelinghuysen Ave., Newark 12, N. J. **Underwriters**—Arnold Malkan & Co., Inc. and Street & Co., Inc., New York, N. Y.

★ Wells Industries Corp. (5/16-20)

Jan. 29 filed 300,000 shares of common stock and warrants for the purchase of an additional 100,000 shares. **Price**—To be supplied by amendment. **Proceeds**—\$350,876 will be used to retire certain debts, with the remainder to be used for construction, equipment, and working capital. **Office**—6505 Wilshire Boulevard, Los Angeles, Calif. **Underwriter**—A. T. Brod & Co., New York City.

★ Whitmoyer Laboratories, Inc. (5/9-13)

Jan. 28 filed 85,000 shares of common stock and \$500,000 of 6% subordinated debentures, due 1977, with warrants for the purchase of 10,000 additional common shares at \$5 per share. **Price**—For the debentures, 100% of principal amount; for the 85,000 common shares, \$6 per share. **Proceeds**—For general corporate purposes, including the reduction of indebtedness, sales promotion, and equipment. **Office**—Myerstown, Pa. **Underwriter**—Hallowell, Sulzberger, Jenks, Kirkland & Co., Philadelphia, Pa.

★ Win-Chek Industries, Inc.

April 26 filed 150,000 shares of class A stock to be publicly offered, 15,000 shares to be issued pursuant to a restricted stock option plan, and 21,500 shares being registered but not offered at this time. **Price**—\$3 per share (par 25 cents). **Proceeds**—To purchase additional inventory and equipment and the balance to improve the company's working capital position. **Office**—Moonachie, N. J. **Underwriter**—Michael G. Kletz & Co. (managing).

★ Wisconsin Electric Power Co.

March 22 filed 561,005 shares of common stock (par \$10) to be offered to holders of record April 27 of outstanding common stock on the basis of one share for each 10 shares held with rights to expire on May 17. **Price**—\$32.25 per share. **Proceeds**—To be used to repay \$12,000,000 of short-term bank loans incurred in connection with the company's construction program, and for further construction expenditures. **Office**—231 West Michigan Street, Milwaukee, Wis. **Underwriter**—None.

Wisconsin Telephone Co. (5/10)

April 15 filed \$20,000,000 of 35-year debentures, due May 1, 1995. **Proceeds**—To be applied toward the repayment of advances from American Telephone & Telegraph Co. (parent) which are expected to approximate \$20,300,000 at the time the proceeds are received. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Morgan Stanley & Co. **Bids**—Expected to be received on May 10 up to 11:00 a.m. (DST) at Room 2315, 195 Broadway, New York City.

Witco Chemical Co.

May 4 filed \$8,000,000 of sinking fund debentures due 1980. **Price**—To be supplied by amendment. **Proceeds**—To be added to the general funds of the company and used for general corporate purposes. **Office**—New York, N. Y. **Underwriters**—Smith, Barney & Co. Inc. and Goldman, Sachs & Co., both of New York.

Yale Express System, Inc.

March 25 filed 300,000 shares of class A stock (par 25 cents) of which 150,000 shares are to be offered for public sale by the issuing company and the balance by the company's board chairman. **Price**—\$5.50 per share. **Proceeds**—\$400,000 to restore working capital expended to acquire American Freight Forwarding Corp. and for expansion of the freight forwarder operation; \$150,000 to restore funds advanced in connection with the terminal recently constructed in North Bergen, N. J. and the balance for expansion and improvement. **Office**—460 12th Avenue, New York. **Underwriter**—Michael G. Kletz & Co., Inc., New York. **Offering**—Expected in late May.

Zero Manufacturing Co. (5/9-13)

March 28 filed 200,000 shares of common stock, of which 125,000 shares are being issued and sold by the company and 75,000 shares are being sold by certain stockholders. **Proceeds**—\$250,000 will be used for the construction of a new 33,600 square foot industrial building in Burbank, Calif., \$250,000 for the purchase and installation of new machinery and equipment; \$150,000 for further research and development in the modular container field; and the balance will be added to working capital. **Office**—1121 Chestnut St., Burbank, Calif. **Underwriter**—Shields & Co., New York.

Prospective Offerings

Acme Steel Co.

March 25 the company's annual report stated that capital improvements during 1960-63, inclusive, have been projected to cost between \$40,000,000 and \$45,000,000. It is anticipated that a substantial proportion of this money will be forthcoming from depreciation and retained earnings. In addition, the sale of \$10,000,000 of preferred stock in 1960 is planned to supply a part of these overall capital requirements. **Office**—Chicago, Ill.

Aluminium Ltd.

May 2 was scheduled to offer 300,000 shares of common stock for subscription by about 25,000 company employees in Canada, United States, Britain, France, Germany, Italy, Switzerland, Australia, South Africa, Trinidad and Guinea and Jamaica. **Price**—\$25 per share.

Arco Electronics

Mar. 2 it was reported that sometime soon this company is expected to file approximately \$500,000 of common stock. **Underwriter**—Michael G. Kletz & Co., of New York City.

Baltimore Gas & Electric Co.

March 3 it was announced by J. Theodore Wolfe, President, that the company plans record construction expenditures of \$50,000,000 during 1960, probably financed through the sale of first mortgage bonds. **Offering**—Expected during the first half of 1960.

Columbia Technical Corp.

April 20 it was reported that a "Reg. A" filing is imminent covering the company's first common stock offering. **Office**—Woodside, L. I., N. Y. **Underwriter**—Doran, Norman & Co., Inc., New York City.

Central Illinois Electric & Gas Co.

Feb. 3 it was reported that around July about \$10,000,000 of first mortgage bonds will be filed. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); First Boston Corp., Blair & Co., Merrill Lynch, Pierce, Fenner & Smith Inc. and Stone & Webster Securities Corp. (jointly).

City Gas Co.

March 10 it was reported that this company is expected to file an undetermined amount of common stock sometime in April or May. **Underwriter**—Kidder, Peabody & Co., New York City.

Columbia Gas System, Inc.

March 11 it was announced that further debt financing is planned for later in the year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc., Merrill Lynch, Pierce, Fenner & Smith, Inc., and White, Weld & Co. (jointly); Morgan Stanley & Co.; Lehman Brothers, Eastman Dillon, Union Securities & Co., and Goldman, Sachs & Co. (jointly).

Consolidated Edison Co. of New York (6/14)

April 8 it was reported that the company expects to sell \$50,000,000 of first refunding mortgage bonds, due 1990. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc. and First Boston Corp. (jointly), and Morgan Stanley & Co. **Bids**—Expected to be received on June 14.

Consolidated Research & Mfg. Corp.

Dec. 16 it was reported that this firm, founded last August as a Delaware corporation, plans its first public financing in the form of a common stock offering

scheduled for next spring. **Business**—The company produces spray containers to combat ice, snow, and fog. **Proceeds**—For expansion. **Office**—1184 Chapel St., New Haven, Conn. **President**—Marvin Botwick.

★ Consumers Power Co.

April 29 the company asked the Michigan Public Service Commission for permission to issue and sell securities with base value of \$73,101,600. The company proposes to issue and sell first mortgage bonds in the amount of \$35,000,000 maturing not earlier than 1990 for the best price obtainable but not less favorable to the company than a 5¼% basis. It also proposes to issue and sell convertible debentures in the amount of \$38,101,600 maturing not earlier than 1975 at a price not less favorable to the company than a 5¼% basis. These debentures are to be offered to the company's common share owners for subscription on the basis of \$100 principal amount of debentures for each 25 shares of common stock held. **Proceeds**—To be used to finance the continuing expansion and improvement of the company's electric and gas service facilities in a 65-county area outside of Greater Detroit. **Underwriter**—To be determined by competitive bidding. Probable bidders: For bonds—Halsey, Stuart & Co. Inc.; White, Weld & Co.; and Shields & Co. (jointly); Morgan Stanley & Co.; The First Boston Corp., and Harriman Ripley & Co., Inc. For debentures—Morgan Stanley & Co.

Deckert Dynamics, Inc.

March 16 it was announced that 100,000 shares of common stock are expected to be filed in early May. **Proceeds**—For general corporate purposes. **Office**—Palmyra, Pa. **Underwriter**—Plymouth Securities Corp., New York City.

Equitable Gas Co.

March 16 stockholders approved a proposal to increase the company's number of authorized preferred shares to 300,000 from 100,000 and to issue a new non-convertible preferred series. **Proceeds**—To be used to repay approximately \$5,000,000 in short-term bank loans and to help finance 1960 construction. **Office**—Boulevard of the Allies, Pittsburgh, Pa.

Florida Power Corp.

March 10 it was reported that \$25,000,000 of first mortgage bonds will be sold by this utility, possibly in the fourth quarter of this year. **Proceeds**—For new construction and repayment of bank loans. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and Merrill Lynch, Pierce, Fenner & Smith Inc. (jointly); First Boston Corp.; Eastman Dillon, Union Securities & Co. and Harriman Ripley & Co. (jointly); Lehman Brothers and Blyth & Co. (jointly).

Ford Motor Credit Co.

March 28 it was reported that this company is developing plans for borrowing operations, which may include the issuance of debt securities, and possibly occur later this year. **Office**—Detroit, Mich.

Georgia Power Co. (11/3)

Dec. 9 it was announced that the company plans registration of \$12,000,000 of 30-year first mortgage bonds with the SEC. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Equitable Securities Corp., and Eastman Dillon, Union Securities & Co. (jointly); Blyth & Co., Inc., and Kidder, Peabody & Co. (jointly); The First Boston Corp. **Registration**—Scheduled for Sept. 26. **Bids**—Expected to be received on Nov. 3. **Information Meeting**—Scheduled for Oct. 31.

Gulf Power Co. (7/7)

Dec. 9 it was announced that the company plans registration with the SEC of \$5,000,000 first mortgage 30-year bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly); Blyth & Co., Inc.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Salomon Bros. & Hutzler, and Drexel & Co. (jointly); Eastman Dillon, Union Securities & Co. **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration**—Scheduled for June 3.

Gulf Power Co. (7/7)

Dec. 9 it was announced that the company plans registration of 50,000 shares of preferred stock (par \$100). **Underwriter**—To be determined by competitive bidding. Probable bidders: Harriman Ripley & Co.; Eastman Dillon, Union Securities & Co., and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; Kidder, Peabody & Co., and White, Weld & Co. (jointly). **Information Meeting**—Scheduled for July 5, 1960. **Bids**—Expected to be received on July 7. **Registration**—Scheduled for June 3.

Gulf States Utilities Co. (6/20)

April 19 it was reported that the company will issue and sell \$17,000,000 of 1st mtge. bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Stone & Webster Securities Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Lehman Brothers. **Bids**—Expected to be received on June 20 at 12 noon.

Hayes Aircraft Corp.

Feb. 12 it was reported that an issue of convertible debentures is being discussed and may occur in the next few months. **Office**—Birmingham, Ala. **Possible Underwriter**—Sterne, Agee & Leach, Birmingham, Ala.

Houston Lighting & Power Co.

March 22 it was announced in the company's annual report that it anticipates approximately \$35 million in new money will be required in 1960 to support the

year's construction program, and to repay outstanding bank loans. Studies to determine the nature and timing of the issuance of additional securities are presently under way. Last August's offering of \$25,000,000 of 4½% first mortgage bonds was headed by Lehman Brothers, Eastman Dillon, Union Securities & Co. and Salomon Bros. & Hutzler. **Office**—Electric Building, Houston, Texas.

Idaho Power Co.

March 30 it was reported that the company plans to issue and sell \$15,000,000 of 1st mortgage bonds due 1990. **Proceeds**—For capital expenditures, etc. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co., Inc.; Lazard Freres & Co. and The First Boston Corp. (jointly); Merrill Lynch, Pierce, Fenner & Smith Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Salomon Bros. & Hutzler and Eastman Dillon, Union Securities & Co. (jointly); Equitable Securities Corp.

Illinois Bell Telephone Co.

March 24 directors authorized plans for a \$61,000,000 issue of new common shares. The stockholders will have subscription rights on the basis of one new share for each 10 held at the time of issue. **Proceeds**—To help finance the company's construction program. **Offering**—Expected in June.

★ Illinois Bell Telephone Co. (7/6)

April 29 it was reported that the company plans the issuance and sale of about \$50,000,000 of first mortgage bonds, maturity of which has not been set. **Proceeds**—For construction purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co.; Glore, Forgan & Co. and Eastman Dillon, Union Securities & Co. (jointly). **Bids**—Expected to be received on July 6.

Indianapolis Power & Light Co. (9/27)

April 18 it was reported that the company will issue and sell \$12,000,000 of 30-year first mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Lehman Brothers; Goldman, Sachs & Co., and The First Boston Corp. (jointly); Eastman Dillon, Union Securities & Co.; White, Weld & Co., and Shields & Co. (jointly); Blyth & Co., Inc.; Equitable Securities Corp. **Bids**—Expected to be received up to 11 a.m. New York Time on Sept. 27.

Iowa Electric Light & Power Co.

March 11 President Sutherland Dows stated that bonds would be sold in order to supplement money to be obtained from temporary bank loans, to acquire the \$10,000,000 required to finance 1960 construction. **Office**—Cedar Rapids, Iowa.

Louisville Gas & Electric Co. (10/18)

April 27 it was reported that this company plans the issuance and sale of \$16,000,000 of first mortgage bonds. **Proceeds**—For construction. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; The First Boston Corp.; Lehman Brothers and Blyth & Co., Inc. (jointly); Kuhn, Loeb & Co., American Securities Corp. and Wood, Struthers & Co. (jointly); Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly); Kidder, Peabody & Co. and Goldman, Sachs & Co. (jointly). **Bids**—Expected to be received on Oct. 18.

Missouri Pacific RR. (5/25)

April 27 it was reported that the Road plans to sell \$3,975,000 of its equipment trust certificates on May 25. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Mohawk Insurance Co.

March 16 it was announced that the company expects to register its first public offering in early May. The offering will consist of 75,000 common shares. **Price**—To be supplied by amendment. **Proceeds**—For expansion. **Office**—198 Broadway, New York City. **Underwriter**—R. F. Dowd & Co., Inc., 38 Broadway, New York City.

★ Montgomery Ward Credit Corp.

May 2 it was reported that this newly organized financing subsidiary of Montgomery Ward Corp. is planning to raise \$50,000,000 of new capital through the marketing of 20-year debentures. **Registration**—Expected shortly. **Underwriter**—Lehman Brothers, New York.

Moore-McCormack Lines, Inc. (5/13)

April 18 it was reported that \$10,000,000 of U. S. Government insured merchant marine bonds, 5% SS Argentina series, due Nov. 1, 1978 are expected to be delivered on or about May 13. Bonds will be callable beginning May 1, 1965, at prices ranging from 105 down to par. **Price**—Expected to be at par. **Agents**—Kuhn, Loeb & Co. and Lehman Brothers.

Nedick's Stores, Inc.

Nov. 12 it was reported that the company is contemplating the placing in registration of 17,000 shares of common stock. About 66% of the issue will be sold for the company's account and the remaining 34% balance will be sold for the account of a selling stockholder. **Underwriter**—Van Alstyne, Noel & Co., New York.

Neptune Meter Co.

April 20 it was announced that this New York City company may issue not more than 133,334 shares of common stock in connection with a proposed acquisition by Neptune of Power Equipment Co. Stockholders of the Galion, Ohio, company will vote on the acquisition May 6, 1960.

New Jersey Power & Light Company (7/19)

Feb. 17 it was reported that this utility is planning the sale of \$5,000,000 of first mortgage bonds, due in 1990. **Underwriter**—To be determined by competitive bidding.

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Probable bidders: Halsey, Stuart & Co. Inc.; Kuhn, Loeb & Co., Lehman Brothers and Salomon Bros. & Hutzler (jointly); Equitable Securities Corp.; First Boston Corp.; Merrill Lynch, Pierce, Fenner & Smith Inc.; Eastman Dillon, Union Securities & Co. and White, Weld & Co. (jointly). **Bids**—Expected to be received on July 19.

★ New York Central RR. (5/18)

Bids will be received up to noon (EDT) on May 18 for the purchase from the Railway of \$4,590,000 of equipment trust certificates. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler.

Northern Illinois Gas Co. (7/13)

Feb. 16 the company's annual report stated that \$120,000,000 of new capital will be needed to meet its five-year construction program. April 5 it was announced that the company will sell \$25,000,000 of first mortgage bonds. **Proceeds**—To finance a portion of the 1960-1964 construction program. **Underwriter**—To be determined by competitive bidding. Probable bidders: A Halsey Stuart & Co. Inc. group. **Bids**—To be received on July 13.

Northwestern Bell Telephone Co. (6/7)

March 24 directors authorized the sale of a \$45,000,000 debenture issue dated June 1, 1960, with maturity in not more than 40 years. **Proceeds**—The funds are needed to meet strong demand for service and to put into effect such service improvements as direct customer dialing of long distant calls. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; The First Boston Corp.; Morgan Stanley & Co.; Eastman Dillon, Union Securities & Co. **Bids**—Expected to be opened on or about June 7.

Norwalk Co.

March 30 it was reported that the company plans to file an undetermined amount of common stock sometime in May. **Proceeds**—For expansion of business and general corporate purposes. **Office**—Norwalk, Conn. **Underwriter**—Myron A. Lomasney & Co., New York.

Orange & Rockland Utilities, Inc.

April 18 it was stated that the company presently expects that such part of its construction program through 1962 and the refunding of \$6,442,000 series B bonds maturing in 1961 as is not financed by the sale of the company's 39,165 shares of its convertible cumulative preferred stock, series E, 5% (par \$100) will be financed from the proceeds of sale in 1961, subject to market conditions, of \$10,000,000 of its first mortgage bonds, from depreciation and retained earnings and, to the extent of any remaining balance, from the proceeds of additional short-term borrowings.

Pacific Power & Light Co.

Jan. 29 it was announced that the company plans to issue at least \$20,000,000 of securities, the date and form of which will be announced at a later date. **Proceeds**—To retire \$20,000,000 of unsecured promissory notes, to mature on or prior to July 31, 1961. The notes will be issued to finance part of the issuer's 1960-61 construction expenditures, which are expected to total about \$61,000,000. **Office**—Portland, Ore.

Panhandle Eastern Pipe Line Co.

April 19 it was reported that this company might sell about \$65,000,000 of debentures, possibly in the third quarter of this year. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc. and Peabody & Co., both of New York.

Potomac Electric Power Co.

March 21 it was stated in the company's annual report it is anticipated that their 1960 construction program will amount to \$39 million and there will be further financing of about \$15 million of an as yet undetermined type. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co., Inc.; First Boston Corp.; Dillon, Read & Co. and Johnston, Lemon & Co. (jointly); Kidder, Peabody & Co. and Merrill

Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Eastman Dillon & Union Securities & Co. and Stone & Webster Securities Corp. (jointly).

Public Service Electric & Gas Co.

Feb. 24 it was reported that this company is planning an undetermined type of financing of approximately \$85,000,000, sometime this year. **Underwriter**—Merrill Lynch, Pierce, Fenner & Smith Inc.

Public Service Co. of New Hampshire

April 4 it was stated in the company's annual report that short-term borrowings will increase progressively during 1960 until further permanent financing is undertaken later in the year. The timing, type, and amount of this financing has not been determined.

Rochester Gas & Electric Corp.

March 1 it was stated in the company's annual report that the company has filed an application with the New York State Public Service Commission for the right to issue \$10,000,000 of new preferred stock. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; White Weld & Co. and Shields & Co. (jointly); Kuhn, Loeb & Co.; Salomon Bros. & Hutzler, Eastman Dillon, Union Securities & Co., and Equitable Securities Corp. (jointly); Blyth & Co., Inc.; The First Boston Corp.

San Diego Gas & Electric Co.

April 8 it was reported that \$25,000,000 of bonds is expected to be sold sometime in the third quarter of this year. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co.; First Boston Corp., Eastman Dillon, Union Securities & Co. and Merrill Lynch, Pierce, Fenner & Smith (jointly); Lehman Brothers and Salomon Bros. & Hutzler (jointly).

(Jos.) Schlitz & Co.

March 11 it was reported that a secondary offering might be made this summer. **Underwriters**—Merrill Lynch, Pierce, Fenner & Smith Inc. and Harriman Ripley & Co. Inc., both of New York City.

Sierra Pacific Power Co.

April 18 it was reported that this public utility will issue and sell \$3,000,000 of bonds, due 1990. **Underwriter**—to be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co. and White, Weld & Co. (jointly); Stone & Webster Securities Corp. and Dean Witter & Co. (jointly). **Bids**—Expected to be received sometime in June.

South Carolina Electric & Gas Co.

March 25, S. C. McMeekin, President, informed this paper of plans to sell an undetermined principal amount of bonds, the timing of which will be subject to market conditions. **Proceeds**—To repay bank loans incurred for current construction program. Previous issues have been placed privately.

• Southern California Edison Co.

March 15 it was stated in the company's annual report that besides the \$30,000,000 issue of series L mortgage bonds sold to underwriters in January, 1960, an additional \$55,000,000 to \$60,000,000 will be needed to complete its estimated \$123,000,000 construction program for 1960. This financing is dependent upon market conditions, and will probably be some type of debt security.

Southern Natural Gas Co.

April 4 it was stated in the company's annual report that the company expects to provide for the payment of certain outstanding notes through the issuance of first mortgage bonds and other debt securities. The timing of the issue or issues was not stated in the report. **Office**—Birmingham, Ala.

Southern Union Gas Co.

Feb. 5 it was reported that \$11,000,000 in new financing is planned for the late Spring of this year, of an undetermined type. **Underwriters**—A. C. Allyn & Co., and Snow, Sweeney & Co., both of New York City.

Southwestern Bell Telephone Co. (8/9)

March 28 directors of this company recommended a \$100,000,000 debenture issue, subject to approval by regulatory authorities. **Proceeds**—To finance an expansion and improvement program over the next five years. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Morgan Stanley & Co. **Bids**—Expected to be received on or about Aug. 9.

★ Steck Co.

May 4 it was reported that the company plans the filing of 60,000 shares of common stock. **Office**—Austin, Texas. **Registration**—Expected in early June. **Underwriter**—Rauscher, Pierce & Co., Inc., Dallas, Texas.

Trans World Airlines, Inc.

April 8 it was announced that the company plans to offer to its stockholders \$100,000,000 of subordinated income debentures with detachable common stock purchase warrants, and Hughes Tool Co. (parent) will purchase not only its pro-rata portion (\$78,000,000) but also enough of any debentures not taken up by others to provide TWA with at least \$100,000,000. **Proceeds**—Together with \$190,000,000 proposed private placement which is presently being worked on by this company's bankers, will be used for expansion of the company's jet fleet. **Underwriters**—Dillon, Read & Co., Inc., Lazard Freres & Co., and Lehman Brothers, all of New York.

Union Electric Co.

March 16 it was announced by Dudley Sanford, Executive Vice-President, that the company plans an offering of debt securities in the range of \$30,000,000 to \$35,000,000. **Proceeds**—To meet construction expenses. **Office**—315 No. 12th Blvd., St. Louis, Mo. **Offering**—Expected in the latter part of this year.

Union Trust Co. of Maryland

April 21 directors of this bank announced plans to boost its capital stock by 100,000 shares to 500,000 shares, \$10 par, by offering for subscription to present holders one new share for each four held. A special meeting of stockholders was called for May 25 to consider the plan. **Price**—To be set shortly before the offering. **Proceeds**—To increase capital and surplus. **Underwriter**—Alex Brown & Sons, Baltimore, Md. **Offering**—Expected in late May.

Utah Power & Light Co.

April 12 it was reported that this company will ask stockholders at the annual meeting on May 16, to authorize 2,000,000 shares of \$25 par preferred stock, part of which will be sold competitively. **Proceeds**—For construction purposes. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Blyth & Co. and First Boston Corp. (jointly); White, Weld & Co.; Stone & Webster Securities Corp. (jointly); Salomon Bros. & Hutzler; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co. and Smith, Barney & Co. (jointly); Lehman Bros.; Bear, Stearns & Co.

Virginia Electric & Power Co. (9/13)

Feb. 5 it was reported that approximately \$25,000,000 first mortgage bonds will be offered for sale. **Underwriters**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Salomon Bros. & Hutzler; White, Weld & Co.; Eastman Dillon, Union Securities & Co.; Stone & Webster Securities Corp. **Bids**—Expected to be received on Sept. 13.

Washington Gas Light Co. (6/7)

March 30 it was reported that the company plans to issue and sell \$12,000,000 of refunding mortgage bonds. **Underwriter**—To be determined by competitive bidding. Probable bidders: Halsey, Stuart & Co. Inc.; Kidder, Peabody & Co.; Eastman Dillon, Union Securities & Co.; Equitable Securities Corp. **Information Meeting**—Scheduled for June 3 in New York at 11 a. m. **Bids**—Expected to be received up to 11:30 a. m. on June 7.

THE SECURITY I LIKE BEST...

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finished steel is shipped to the other plants for further finishing.

Expansion

The McMaster Works, a \$10 million pipe mill completed in September, 1959 on the south shore of the St. Lawrence River, marks the first large-scale expansion program in the Province of Quebec by Stelco. Surrounded by 700 acres, the plant is situated about 30 miles east of Montreal on the south shore of the St. Lawrence River in an area known locally as "The Gateway to the Seaway." It features the most modern method of producing pipe by the continuous-weld process and has an annual capacity of 100,000 tons of pipe in sizes from 3/4 inch to 4 inch used in plumbing and heating, oil and gas distribution lines, refrigeration, air conditioning and many other systems. These versatile products are expected to open up new markets for the company.

Current new projects follow always has been busy trying to

policies laid down in 1939 when Stelco began one of the most sustained and spectacular expansion programs ever attempted by any Canadian industrial company. Approximately \$300 million has been spent since that time, mostly out of retained funds, and there is no sign of a letup. Early in 1959, expansion was announced to bring Stelco's annual ingot capacity to nearly 3 million tons.

Supplies of raw materials for the future are assured by a 10% participation in taconite mining in Minnesota, which became a springboard for a spectacular jump into the Canadian iron ore picture. In Minnesota, it had learned to pelletize low-grade ores, plenty of which are available in Canada. The experience gained there enabled Stelco to establish the Hilton Mine in Quebec in which it has a 50% interest and to participate in the Wabash Iron Co. development in Labrador.

Research and Development

Throughout the years, Stelco

make better quality steel. Improvements were highlighted at the 1950 annual meeting of the American Iron & Steel Institute when it was revealed how a Stelco team had successfully experimented with a self-fluxing sinter burden, the first advance of its kind in North America. This caused steel men everywhere to take another look at the people, the equipment and the method of production which go to make Stelco's Hamilton, Ontario Works one of the most modern, progressive steel plants on the continent. In nearby Toronto, the Swansea Works is said to be one of the finest and most modern bolt plants in North America today. These are perfect examples of Canadian industry.

Sales and Earnings

The farsighted policies of the topflight management have been reflected in rising profits and strong balance sheets. Consolidated net profits for the year ending Dec. 31, 1959 was \$32,878,195 on sales of \$321,544,223 compared to \$18,371,019 on sales of \$225,179,255 in 1958. Net equaled \$7.58 per share in 1959, up from \$3.79

the previous year. These figures are after depreciation and depletion of \$18,804,249 in 1959 and \$17,375,747 in 1958. Total cash flow for 1959 was \$51,682,444 or \$11.22 per share, a new high record for the company.

Balance Sheet Items

Capital expenditures during 1959 on plant and mining property totaled \$35,123,407. Dividends paid out added up to \$9,102,704 or \$2.10 per share. Funded debt was reduced \$3,223,500 to \$22,539,500. Working capital stood at \$115,163,500, up from \$103,876,527 at the end of 1958.

Price Range

The 4,338,338 common shares outstanding are listed on the Toronto, Montreal and American Stock Exchanges. The range has been a high of 90 1/4 and a low of 68 1/2 for 1959-1960 period. Current price (ASE) is 75.

Dividends

The dividend policy has been ultra-conservative, averaging 32% of net profits in the years 1955-59. Last year \$2.10 was paid. However, starting with the Feb. 1, 1960 quarter, the payment was 60¢

plus 30¢ extra, so for the full year payments should be at least \$2.90 per share Canadian funds.

Conclusion

Stelco, as the leading steel company in Canada, is tied in with the Canadian economy. The large expansion program should make it possible for the company to hold its leadership and produce steel in sufficient quantities to meet the increasing demands of a growing country. The common stock of the company offers an excellent medium for the investor to become a part owner in a dynamic company in the Canadian steel industry. It is a mature investment, a Canadian blue chip and a favorite with the Mutual Funds despite the fact that the current yield on the \$2.40 dividend without figuring extras is only 3.2%. Price-earnings ratio is about 10 times last year's earnings of \$7.58 and another good year is expected in 1960. The capitalization is relatively small and this, plus the low price-earnings ratio, makes Stelco common an excellent candidate for a stock split.

Indications of Current Business Activity

The following statistical tabulations cover production and other figures for the latest week or month available. Dates shown in first column are either for the week or month ended on that date, or, in cases of quotations, are as of that date:

		Latest Week	Previous Week	Month Ago	Year Ago		Latest Month	Previous Month	Year Ago
AMERICAN IRON AND STEEL INSTITUTE:									
Indicated Steel operations (per cent capacity)	May 7	\$74.8	*77.6	84.8	92.0				
Equivalent to—									
Steel ingots and castings (net tons)	May 7	\$2,132,000	*2,210,000	2,417,000	2,604,000				
AMERICAN PETROLEUM INSTITUTE:									
Crude oil and condensate output—daily average (bbls. of 42 gallons each)	Apr. 22	6,982,610	7,031,760	7,077,810	7,132,225				
Crude runs to stills—daily average (bbls.)	Apr. 22	17,967,000	7,898,000	7,945,000	7,705,000				
Gasoline output (bbls.)	Apr. 22	28,246,000	28,472,000	28,003,000	27,389,000				
Kerosene output (bbls.)	Apr. 22	2,105,000	2,395,000	2,630,000	1,802,000				
Distillate fuel oil output (bbls.)	Apr. 22	12,678,000	12,249,000	12,846,000	11,543,000				
Residual fuel oil output (bbls.)	Apr. 22	6,164,000	6,761,000	7,278,000	6,401,000				
Stocks at refineries, bulk terminals, in transit, in pipe lines—									
Finished and unfinished gasoline (bbls.) at	Apr. 22	221,552,000	224,797,000	225,987,000	211,747,000				
Kerosene (bbls.) at	Apr. 22	19,113,000	18,853,000	18,099,000	20,639,000				
Distillate fuel oil (bbls.) at	Apr. 22	78,408,000	76,378,000	78,012,000	81,487,000				
Residual fuel oil (bbls.) at	Apr. 22	38,813,000	39,091,000	39,852,000	55,490,000				
ASSOCIATION OF AMERICAN RAILROADS:									
Revenue freight loaded (number of cars)	Apr. 23	625,374	622,635	600,926	649,319				
Revenue freight received from connections (no. of cars)	Apr. 23	538,164	552,553	566,501	574,209				
CIVIL ENGINEERING CONSTRUCTION — ENGINEERING NEWS-RECORD:									
Total U. S. construction	Apr. 28	\$493,100,000	\$758,200,000	\$383,700,000	\$410,900,000				
Private construction	Apr. 28	273,300,000	529,600,000	179,900,000	204,400,000				
Public construction	Apr. 28	219,800,000	228,600,000	203,800,000	206,500,000				
State and municipal	Apr. 28	161,100,000	200,600,000	164,400,000	149,400,000				
Federal	Apr. 28	58,700,000	28,000,000	39,400,000	57,100,000				
COAL OUTPUT (U. S. BUREAU OF MINES):									
Bituminous coal and lignite (tons)	Apr. 23	8,555,000	*8,810,000	8,710,000	8,225,000				
Pennsylvania anthracite (tons)	Apr. 23	275,000	354,000	361,000	358,000				
DEPARTMENT STORE SALES INDEX—FEDERAL RESERVE SYSTEM—1947-49 AVERAGE = 100									
	Apr. 23	146	156	131	141				
EDISON ELECTRIC INSTITUTE:									
Electric output (in 000 kwh.)	Apr. 30	13,300,000	13,213,000	13,542,000	12,546,000				
FAILURES (COMMERCIAL AND INDUSTRIAL) — DUN & BRADSTREET, INC.									
	Apr. 28	325	283	356	275				
IRON AGE COMPOSITE PRICES:									
Finished steel (per lb.)	Apr. 26	6.196c	6.196c	6.196c	6.196c				
Pig iron (per gross ton)	Apr. 26	\$66.41	\$66.41	\$66.41	\$66.41				
Scrap steel (per gross ton)	Apr. 26	\$33.50	\$33.50	\$33.17	\$33.83				
METAL PRICES (E. & M. J. QUOTATIONS):									
Electrolytic copper—									
Domestic refinery at	Apr. 27	32.600c	32.600c	32.600c	31.175c				
Export refinery at	Apr. 27	32.875c	31.975c	30.675c	28.825c				
Lead (New York) at	Apr. 27	12.000c	12.000c	12.000c	11.500c				
Lead (St. Louis) at	Apr. 27	11.800c	11.800c	11.800c	11.300c				
Zinc (delivered) at	Apr. 27	13.500c	13.500c	13.500c	11.500c				
Zinc (East St. Louis) at	Apr. 27	13.000c	13.000c	13.000c	11.000c				
Aluminum (primary pig. 99.5%) at	Apr. 27	26.000c	26.000c	26.000c	24.700c				
Straits tin (New York) at	Apr. 27	99.250c	98.875c	99.625c	102.375c				
MOODY'S BOND PRICES DAILY AVERAGES:									
U. S. Government Bonds	May 3	84.30	83.57	85.44	84.10				
Average corporate	May 3	84.81	85.20	85.46	88.27				
Aaa	May 3	89.23	89.51	89.51	91.34				
Aa	May 3	87.32	87.32	87.99	90.34				
A	May 3	84.43	84.68	84.81	88.54				
Baa	May 3	79.01	79.60	80.20	83.28				
Railroad Group	May 3	82.52	82.52	82.77	87.45				
Public Utilities Group	May 3	85.33	85.85	86.24	87.45				
Industrials Group	May 3	86.78	87.05	87.59	89.92				
MOODY'S BOND YIELD DAILY AVERAGES:									
U. S. Government Bonds	May 3	4.13	4.22	3.99	4.06				
Average corporate	May 3	4.80	4.77	4.75	4.54				
Aaa	May 3	4.47	4.45	4.45	4.32				
Aa	May 3	4.61	4.61	4.56	4.39				
A	May 3	4.83	4.81	4.80	4.52				
Baa	May 3	5.27	5.22	5.17	4.92				
Railroad Group	May 3	4.98	4.98	4.96	4.60				
Public Utilities Group	May 3	4.76	4.72	4.69	4.60				
Industrials Group	May 3	4.65	4.63	4.59	4.42				
MOODY'S COMMODITY INDEX									
	May 3	377.6	378.7	380.5	389.2				
NATIONAL PAPERBOARD ASSOCIATION:									
Orders received (tons)	Apr. 23	291,909	299,606	300,817	311,340				
Production (tons)	Apr. 23	291,076	324,743	316,264	304,464				
Percentage of activity	Apr. 23	86	95	93	93				
Unfilled orders (tons) at end of period	Apr. 23	413,884	429,286	418,526	455,533				
OIL, PAINT AND DRUG REPORTER PRICE INDEX—1949 AVERAGE=100									
	Apr. 29	110.26	110.36	110.85	110.84				
ROUND-LOT TRANSACTIONS FOR ACCOUNT OF MEMBERS, EXCEPT ODD-LOT DEALERS AND SPECIALISTS									
Transactions of specialists in stocks in which registered—									
Total purchases	Apr. 8	2,369,270	1,827,240	2,523,250	2,396,420				
Short sales	Apr. 8	421,380	317,230	424,270	393,710				
Other sales	Apr. 8	1,830,720	1,470,190	2,101,810	2,037,930				
Total sales	Apr. 8	2,252,100	1,787,420	2,526,080	2,431,640				
Other transactions initiated off the floor—									
Total purchases	Apr. 8	385,710	271,370	474,760	323,430				
Short sales	Apr. 8	63,000	38,140	70,600	14,200				
Other sales	Apr. 8	315,200	261,370	389,050	341,930				
Total sales	Apr. 8	378,200	299,510	459,650	356,130				
Other transactions initiated on the floor—									
Total purchases	Apr. 8	864,555	703,440	825,013	666,260				
Short sales	Apr. 8	128,100	98,170	122,005	63,350				
Other sales	Apr. 8	769,115	530,212	675,671	637,206				
Total sales	Apr. 8	897,215	628,382	797,676	700,556				
Total round-lot transactions for account of members—									
Total purchases	Apr. 8	3,619,535	2,802,050	3,823,023	3,386,110				
Short sales	Apr. 8	612,480	453,540	616,875	471,260				
Other sales	Apr. 8	2,915,035	2,261,772	3,166,531	3,017,066				
Total sales	Apr. 8	3,527,515	2,715,312	3,783,406	3,488,326				
STOCK TRANSACTIONS FOR ODD-LOT ACCOUNT OF ODD-LOT DEALERS AND SPECIALISTS ON N. Y. STOCK EXCHANGE—SECURITIES EXCHANGE COMMISSION									
Odd-lot sales by dealers (customers' purchases)—†									
Number of shares	Apr. 8	1,686,362	1,468,371	1,951,277	1,780,220				
Dollar value	Apr. 8	\$85,698,984	\$74,846,990	\$86,691,148	\$94,095,907				
Odd-lot purchases by dealers (customers' sales)—									
Number of orders—Customers' total sales	Apr. 8	1,495,955	1,314,930	1,559,105	1,666,252				
Customers' short sales	Apr. 8	10,082	10,595	22,048	6,270				
Customers' other sales	Apr. 8	1,485,873	1,304,335	1,537,057	1,659,982				
Dollar value	Apr. 8	\$76,255,342	\$66,261,004	\$72,378,735	\$85,350,334				
Round-lot sales by dealers—									
Number of shares—Total sales	Apr. 8	395,960	388,690	409,190	461,530				
Short sales	Apr. 8		388,690	409,190	461,530				
Other sales	Apr. 8	395,960		790,210	574,590				
Round-lot purchases by dealers—Number of shares	Apr. 8	613,770	525,990						
TOTAL ROUND-LOT STOCK SALES ON THE N. Y. STOCK EXCHANGE AND ROUND-LOT STOCK TRANSACTIONS FOR ACCOUNT OF MEMBERS (SHARES):									
Total round-lot sales—									
Short sales	Apr. 8	759,470	573,180	865,140	556,580				
Other sales	Apr. 8	14,193,770	11,949,250	15,577,520	15,990,880				
Total sales	Apr. 8	14,953,240	12,522,430	16,442,660	16,547,460				
WHOLESALE PRICES, NEW SERIES — U. S. DEPT. OF LABOR — (1947-49 = 100):									
Commodity Group—									
All commodities	Apr. 26	119.8	120.0	120.1	119.8				
Farm products	Apr. 26	90.1	91.2	91.0	92.1				
Processed foods	Apr. 26	106.7	106.8	107.1	107.9				
Meats	Apr. 26	95.7	*95.9	96.2	102.8				
All commodities other than farm and foods	Apr. 26	128.6	128.6	128.8	128.0				
AMERICAN HOME LAUNDRY MANUFACTURERS ASSOCIATION—Month of March:									
Total home laundry appliance factory unit sales (domestic)		416,564	408,388	444,309					
Combination washer-dryers		18,746	16,381	16,207					
Washers		307,613	283,640	329,668					
Dryers		90,205	108,367	98,434					
AMERICAN TRUCKING ASSOCIATION, INC.—Month of February:									
Inter-city general freight transported by 339 carriers (in tons)		5,119,107	5,016,362	4,626,0					

STATE OF TRADE AND INDUSTRY

Continued from page 5

week ended April 30 combined to lower April compact output by about 15,000 units from projected schedules.

"Ward's" added that two widely-separated strikes, one at an assembly unit and the other at a parts factory, contributed to an estimated 7% decline in last week's car production figure. Parts shortages resulting from a strike at Ford Motor Co.'s Indianapolis steering gear shop halted Falcon production at two sites and Comet assembly at Lorain, Ohio, after three days work "Ward's" said.

In Detroit, the Cadillac plant, which normally produces about 3,300 cars a week, turned out fewer than 200 units after its body supply source was cut off by a walkout at the Fisher Body Fleetwood Works.

Car Loadings Show a 3.7% Decline Below Same Week Last Year

Loading of revenue freight for the week ended April 23, 1960, totaled 625,374 cars, the Association of American Railroads announced. This was a decrease of 23,945 cars or 3.7 per cent below the corresponding week in 1959 but was an increase of 91,523 cars or 17.1 per cent above the corresponding week in 1958.

Loadings in the week of April 23, were 2,739 cars or four-tenths of one per cent above the preceding week.

There were 10,614 cars reported loaded with one or more revenue highway trailers (piggyback) in the week ended April 16, 1960 (which were included in that week's over-all total). This was an increase of 2,583 cars or 32.2 per cent above the corresponding week of 1959 and 6,036 cars or 131.8 per cent above the 1958 week. Cumulative loadings for the first 15 weeks of 1960 totaled 155,597 for an increase of 46,526 cars or 42.7 per cent above the corresponding period of 1959, and 87,199 cars or 127.5 per cent above the corresponding period in 1958. There were 52 Class I U. S. railroad systems originating this type traffic in the current week compared with 47 one year ago and 40 in the corresponding week of 1958.

Lumber Shipments 7.6% Below 1959 Week

Lumber shipments of 468 mills reporting to the National Lumber Trade Barometer were 2.9% below production during the week ended April 23, 1960. In the same week new orders of these mills were 4.2% below production. Unfilled orders of reporting mills amounted to 35% of gross stocks. For reporting softwood mills, unfilled orders were equivalent to 19 days' production at the current rate, and gross stocks were equivalent to 52 days' production.

For the year-to-date, shipments of reporting identical mills were 6.1% below production; new orders were 7.7% below production.

Compared with the previous week ended April 16, 1960, production of reporting mills was 0.6% above; shipments were 0.1% above; new orders were 3.5% above. Compared with the corresponding week in 1959, production of reporting mills was 0.7% above; shipments were 7.6% below; and new orders were 8.1% below.

Electric Output 6% Above 1959 Week

The amount of electric energy distributed by the electric light and power industry for the week ended Saturday, April 30, was estimated at 13,300,000,000 kwh., according to the Edison Electric Institute. Output was 87,000,000 kwh. above that of the previous week's total of 13,213,000,000 kwh. but showed a gain of 754,000,000

kwh., or 6% above that of the comparable 1959 week.

Business Failures Rise for April 28 Week

Commercial and industrial failures rose to 325 in the week ended April 28th from 283 in the preceding week, reported Dun & Bradstreet, Inc. This upturn lifted casualties above their year-ago level of 275 in the comparable week of 1959, although they remained slightly below the 336 occurring in 1958. The toll was about even with the 326 recorded in the similar week of pre-war 1939.

Failures involving liabilities of \$5,000 or more climbed to 286 from 253 in the previous week and 239 last year. Small casualties, those with liabilities under \$5,000, increased to 39 from 30 a week ago, and were slightly above the 36 of this size in 1959. Thirty-eight of the failing businesses had liabilities in excess of \$100,000 as against 33 in the preceding week.

Wholesale Commodity Price Index Close to Prior Week

Higher prices on wheat, rye, steers, cotton, and rubber offset declines on corn, coffee, hogs, and lambs holding the general commodity price level close to the prior week. The Daily Wholesale Commodity Price Index, compiled by Dun & Bradstreet, Inc., stood at 274.82 (1930-32=100) on May 2, compared with 274.58 a week earlier and 278.06 on the corresponding date a year ago.

Trading in wheat matched that of the prior week, both for domestic and export use, and prices moved up somewhat from the prior week; wheat supplies were ample for the week's transactions. Although volume in rye showed little change from a week earlier, prices edged up.

Favorable weather conditions in growing areas discouraged transactions in corn during the week, and prices were down somewhat. Volume in oats picked up slightly and prices were steady; oats supplies fell from the preceding week. There was a moderate decline in soybean prices, reflecting weakness in the oil and meal markets.

Although purchases of flour were sluggish during the week, prices were steady. Sugar prices showed little change from the prior week, despite a decrease in transactions in the domestic market. While coffee prices picked up a little at the end of the week, they were off somewhat from the prior period; coffee trading was close to a week earlier.

A slight rise occurred in cocoa prices during the week, reflecting a moderate rise in volume. While the call for rice from exporters dipped somewhat, domestic buying was sustained at a high level holding prices close to the prior week. Negotiations were underway for a long-term agreement to export rice to India.

While supplies of steers were light, prices moved up somewhat; trading in steers matched that of a week earlier. Hog prices moved up fractionally at the week-end, but were not sufficient to offset declines of earlier in the week; trading in hogs was steady. A fractional dip occurred in lamb prices, reflecting a decline in trading and lower offerings.

Prices on the New York Cotton Exchange moved up slightly this week. United States exports of cotton were estimated at 139,000 bales in the week ended last Tuesday, compared with 163,000 a week earlier and 59,000 in the similar week a year ago. For the current season through April 26, exports came to about 5,289,000 bales, compared with 2,131,000 in 1959.

Wholesale Food Price Index Down Slightly From Prior Week

The Wholesale Food Price Index, compiled by Dun & Brad-

street, Inc., dipped slightly this week, following three consecutive increases. The index stood at \$5.94 on April 26, down 0.7 per cent from the \$5.98 of the preceding week, which was the highest level so far this year. The current level was 3.4 per cent below the \$6.15 of the corresponding date last year.

Commodities quoted higher this week were flour, wheat, sugar, coffee, potatoes, prunes, hogs and lambs. Lower in price were rye, hams, bellies, lard, butter, cottonseed oil, eggs and steers.

The Index represents the sum total of the price per pound of 31 raw food stuffs and meat in general use. It is not a cost-of-living index. Its chief function is to show the general trend of food prices at the wholesale level.

Retailing Exceeds Year Ago in Post-Easter Week

Although consumer buying declined as usual in the post-Easter week ended Wednesday, extensive clearance sales promotions helped retail volume moderately exceed that of the comparable calendar week last year. The most noticeable gains occurred in sales of apparel, new passenger cars, appliances, and draperies. Volume in furniture and floor coverings was up moderately from the similar week a year ago, while interest in linens was down somewhat.

The total dollar volume of retail trade in the week ended April 27 was 4 to 8% higher than a year ago, according to spot estimates collected by Dun & Bradstreet, Inc. Regional estimates varied from the comparable 1959 levels by the following percentages: Middle Atlantic +8 to +12; West North Central +6 to +10; East North Central +5 to +9; Pacific Coast +4 to +8; West South Central +3 to +7; South Atlantic and East South Central +2 to +6; New England 0 to +4; Mountain -2 to +2.

Nationwide Department Store Sales Up 4% for April 23 Week

Department store sales on a country-wide basis as taken from the Federal Reserve Board's index for the week ended April 23, 1960, increased 4% above the like period last year. In the preceding week, for April 16 an increase of 18% was reported. For the four weeks ended April 23 a 15% increase was registered over the same period in 1959.

According to the Federal Reserve System department store sales in New York City for the week ended April 23 increased 9% over the like period last year. In the preceding week ended April 16 sales increased 18% over the like period last year. For the four weeks ending April 23 a 19% increase was reported over the 1959 period, and from Jan. 1 to April 23 showed a 19% increase over 1959.

General Casting Stock Offered

Bertner Bros. & Earl Edden Co., both of New York City, on April 28 publicly offered 100,000 shares of General Casting Corp. common stock (par 10 cents) at \$3 per share. All the shares have been sold.

General Casting Corp., a New York corporation, was incorporated on July 8, 1947, and since that time has engaged in the business of investment casting, at first as specialists for the jewelry industry, and, since 1950, as specialists in the field of investment casting of non-ferrous metals for industry in general.

With United Securities

GREENSBORO, N. C. — John L. Thomas is now connected with United Securities Company, Southeastern Building.

\$129,605,000 New Local Housing Authority Bonds Publicly Offered

Public offering of \$129,605,000 New Housing Authority 3½% bonds due 1961-2000 is being made by an underwriting group managed by Phelps, Fenn & Co., Lehman Brothers and Blyth & Co., Inc. in association with The First National City Bank of New York and by The Chase Manhattan Bank and Bankers Trust Company. Bids on a total of \$133,410,000 bonds were received May 4 by the housing agencies.

Other managers of the offering group are Goldman, Sachs & Co.; Shields & Co.; Smith, Barney & Co.; The First Boston Corporation; Harriman Ripley & Co., Inc.; and R. W. Pressprich & Co.

The bonds offered by the group comprise 28 individual issues and are being sold by twenty-five local housing agencies located in thirteen States and Puerto Rico.

The underwriting group is offering the bonds in three price scales—Scale B, Scale C and Scale D, all with a 3½% coupon—at prices to yield 2.40% to approximately 3.90%.

Scale B relates to bonds of agencies in Baltimore, Md.; Albany, N. Y.; Philadelphia, Pa. and Memphis, Tenn. and ranges from a yield of 2.40% to a dollar price of 100½.

Scale C applies to issues of housing agencies in Chicago, Ill.; Chicopee and Lawrence, Mass.; and Elizabeth and Newark, N. J. and ranges from a yield of 2.40% to a dollar price of par.

Scale D is applicable to bonds

of agencies in Andalusia, Bessemer, Birmingham, Guntersville and Sheffield, Ala.; Bradenton and Daytona Beach, Fla.; Warner Robins and Winder, Ga.; Cincinnati, Ky.; Puerto Rico; Lake City, S. C.; Cookeville, Covington and Dyersburg, Tenn.; and Portsmouth, Va. and ranges from a yield of 2.40% to a dollar price of 99½.

The bonds will be callable fifteen (15) years from their date at prices ranging from 104% to 100% depending on the year in which the redemption is effected.

This is the 27th offering of New Housing Authority bonds under the 1949 amendment to the U. S. Housing Act of 1937 and brings the total principal amount of bonds sold to \$2,968,849,000 since the initial financing in 1951. The offering is the largest since Sept. 14, 1954 when \$135,935,000 bonds were sold.

Proceeds from the sale of the bonds will be used to retire notes issued by the Public Housing Administration as evidence of advances made by the PHA or to retire temporary loans obtained from others than the PHA, and the remainder will be used to meet the development cost of the housing projects.

The bonds are secured by a first pledge of annual contributions unconditionally payable under a contract between the PHA and the local issuing agency. The faith of the United States is solemnly pledged to the payment of the annual contributions by the PHA.

Wolverine Shoe & Tanning Corp. Com. Stk. Offered

A. G. Becker & Co., Incorporated on May 4 publicly offered 100,000 shares of Wolverine Shoe & Tanning Corp. common stock (par \$5) at \$11.50 per share. Dealer's concession was 55 cents. This offering was oversubscribed and the books closed.

Wolverine Shoe & Tanning Corp. has been engaged for more than 50 years in tanning horsehide and manufacturing men's work shoes and gloves, distributed nationally under the Wolverine name. It is well established in these fields in most sections of the country.

The character of its business has changed radically, however, in the last few years. In the early 1950's the company, after several years of effort, developed the first successful mechanical device for removing skin from hog carcasses in pieces large enough to be practicable for tanning into leather suitable for shoe uppers as well as for other purposes. During the same period it was also developing special methods to tan and process the skins. On the basis of these two technical advances it has acquired a large, economical and exclusive source of quality pigskin which is suitable for footwear and other uses and, because of attractive appearance along with practical qualities, particularly appropriate for casual shoes. By 1957 it was in position to capitalize on this new leather supply and in May of that year introduced a line of men's casual shoes under the name "Hush Puppies." Although in regular production for less than three years sales of these shoes exceeded 1,000,000 pairs in 1959, when they were the company's largest selling line. The increase in the company's total sales from \$11.4 million in 1958 to \$15.3 million in 1959 was chiefly accounted for by "Hush Puppies."

The company's pigskin leather production is greatly in excess of

its own factory requirements, and has enabled it to develop also an entirely new business of substantial proportions through the sale of pigskin to other manufacturers.

Proceeds from sale of the securities offered will be added to working capital. The expanding volume of the company's business has required it in the last few years to add substantially to inventories and receivables. While it has been possible to meet the corresponding financial needs thus far from internal sources, principally retained earnings, supplemented by bank loans, the company believes that additional capital should be provided on a permanent basis. The present financing will provide such capital and materially reduce the need for seasonal bank borrowing in the immediate future.

R. A. Holman Sells Dade Metal Com.

R. A. Holman & Co., Inc. on April 20 publicly offered 200,000 shares of Dade Metal Fabrications, Inc. common stock at par (\$1 per share). This offering has been completed, all of the said shares having been sold.

Dade Metal Fabrications, Inc. was incorporated under Florida law on May 21, 1954. Since 1954 the company's main executive offices, sales office, warehousing and shop facilities have been located at 4798 East Tenth Lane, Hialeah, Fla.

The company is engaged in the fabrication of metals into products used in the construction trade for commercial, industrial and residential structures.

Of the net proceeds, \$26,000 will be used for purchase of land and erection of a plant thereon; \$30,000 for additional tools, machinery and equipment for both the fabrication and boat trailer plants; \$10,000 for boat trailer delivery equipment; \$40,000 for increasing inventory and raw materials; \$10,000 for selling, advertising and sales promotion; and \$34,000 for additional working capital.

Our Reporter on GOVERNMENTS

BY JOHN T. CHIPPENDALE, JR.

The Treasury in its successful offering of 4% and 4% obligations to the owners of the May 15 maturities went along again with the "old" method of refinancing issues as they come due. However, it is expected that the "cash" refunding system will be used for refunding purposes at some future time.

The one-year 4% certificate and the five-year 4% note were in line with what the money market had been looking for. The reception that these securities will receive from the owners of the May 15 maturities will tell whether or not the Treasury will have to seek new funds again before the current fiscal year ends on June 30.

Short-term government obligations continue to move into investment and temporary channels, with the uncertain action of the equity market responsible in no small measure for latter type of purchases.

Treasury Fearful of Cash Financing

The Treasury last week announced that the \$6,400,000,000 of securities coming due on the middle of the month would be refunded by a one year obligation with a 4% coupon and a 4% note due in exactly five years. The owners of the maturing 4% certificates, the 3 1/2% notes and the 3 1/4% notes, were given an option as to how they would be taken care of, with the "rights" or the pre-emptive method again holding the stage for the refunding of the aforementioned issues. The Treasury evidently was convinced that money market conditions were not conducive to the use of the new refunding rules which were put forth not so long ago.

In other words, the Treasury was not sure enough of the demand for new securities alone to take a chance and go along with what has been termed "cash" refundings. The turn-ins of the maturing May 15 obligations, or the attrition, is expected to be well within the limits which are considered to be favorable by the Treasury.

The rates set by the Treasury in the May 15 refunding operation were considered to be just a wee bit on the generous side even though it was evident that the government was not giving away very much. However, it is the opinion of most money market specialists that the 4% certificate and the 4% note will meet the needs of most of the holders of the issues which are coming due. Additionally, these new securities will fit into the money market maturity pattern well, and there will be some extension in the due date of the government debt in the amount that the five

year issue is taken in exchange for the maturing securities.

Uncertain Business Trend

Even though the 4% and the 4% rates for the refunding issues are lower than those which were used in the February operation, when the Treasury offered a one year certificate and a four-year-and-nine-months note, both with a 4% coupon, the money market is not at its best levels for the year. It is believed in most quarters that the course of the interest rates in the foreseeable future will depend upon the coming trend of economic conditions. And at the present time there is apparently more than a passing amount of concern as to the way in which business is going to go. If there should be a worsening of economic indicators there will no doubt be a move by the powers that be to bring about a more favorable money rate pattern. On the other hand, a return of the boom psychology would bring with it more restrictive money conditions.

At the present time, with the future trend of business conditions a matter of considerable discussion but with practically no agreement as to the direction in which it might go, it was not at all surprising to find that the monetary authorities had adopted a policy which appears to be well labeled as one of "easy" restriction. And one of the important clues as to how the thinking of the powers that be is going is to watch the weekly course of negative reserves of member banks of the system.

In spite of the opinions that the money market will continue to be in a state of flux for a time, there is not expected to be any let-down in the demand for the most liquid government issues.

Car. Pac. Plywood Cap. Stk. Offered

An offering of 100,000 shares of Carolina Pacific Plywood, Inc. capital stock (without par value) was made on April 19 by Peter Morgan & Co. at \$4.75 per share.

The purpose of the issue is to improve the corporation's working capital position and to aid in financing log inventories at peak periods.

The corporation and its subsidiaries are engaged in the manufacture of rough sheathing and sanded plywood and lumber studs. Its plants are located in Oregon and California.

Morgan Offers Seaboard Secs.

Peter Morgan & Company is offering in 600 units \$300,000 principal amount of 6 1/2% subordinated convertible debentures, due May 1, 1970, and 30,000 shares of common stock of this corporation. Consisting of one \$500 principal amount debenture and a certificate for 50 shares of common stock which are separable on and after July 1, 1960, each unit is priced at \$812.50.

Net proceeds from the sale of the debentures and common stock will be used by the company to retire a bank loan, incurred in connection with the acquisition of another company. The balance of the proceeds will be used to supplement working capital and used principally in the expansion of the company's Industrial Department.

Seaboard Plywood & Lumber Corp. which has its principal office in Watertown, Mass., in Greater Boston, buys, warehouses, and distributes at wholesale such lumber products as plywood, manufactured millwork, hardwood flooring, interior trim, and lumber specialties like prefabricated door and frame units. It sells to about 1,400 retail dealers located through New England, and the Baltimore-Washington area. The corporation and its subsidiaries have warehouses in Connecticut, Rhode

Island, Massachusetts, Maryland and Virginia. Annual net sales have risen from \$2,313,394 in 1947, the first full year of operation, to \$6,421,045 for the year ended Jan. 31, 1960.

The new debentures will be redeemable at optional redemption prices after May 1, 1961, at redemption prices ranging from 105% to par, plus accrued interest. The debentures may be converted, at the holder's option, into common stock at conversion prices starting at \$7.50 per share on or before May 1, 1962.

Upon completion of the current financing, outstanding capitalization of the company will consist

of 443,712 shares of common stock, \$1 par value; 329 shares of 6% preferred stock; 19,993 common stock warrants; \$300,000 principal amount of 6 1/2% subordinated convertible debentures now being offered, and \$362,000 principal amount of 6% subordinated debentures.

DIVIDEND NOTICES



**The United Gas
Improvement
Company**

DIVIDEND NOTICE

A dividend of 60c per share on the Common Stock, par value \$13.50 per share, has been declared payable June 30, 1960 to holders of record May 31, 1960.

A dividend of \$1.06 1/4 per share on the 4 1/4% Preferred Stock has been declared payable July 1, 1960 to holders of record May 31, 1960.

J. H. MACKENZIE, Treasurer

Philadelphia, May 2, 1960.

O'okiep Copper Company Limited

Dividend No. 54

The Board of Directors today declared a dividend of twenty shillings per share on the Ordinary Shares of the Company payable June 2, 1960.

The Directors authorized the distribution of the said dividend on June 13, 1960 to the holders of record at the close of business on June 6, 1960 of American shares issued under the terms of the Deposit Agreement dated June 24, 1946. The dividend will amount to approximately \$2.80 per share, subject, however, to any change which may occur in the rate of exchange for South Africa funds prior to June 2, 1960. Union of South Africa non-resident shareholders tax at the rate of 6.45% will be deducted.

By Order of the Board of Directors,
F. A. SCHECK, Secretary.
New York, New York, April 27, 1960.



**PACIFIC
FINANCE CORPORATION**

DIVIDEND NOTICE

A regular quarterly dividend of 65 cents per share on the common stock (\$10 par value) payable on June 1, 1960, to stockholders of record May 16, 1960, was declared by the Board of Directors on April 27, 1960.

B. C. Reynolds
B. C. REYNOLDS, Secretary

DIVIDEND NOTICES

United States Pipe and Foundry Company

Burlington, N. J., April 28, 1960

The Board of Directors this day declared a quarterly dividend of thirty cents (30c) per share on the outstanding Common Stock of this Company, payable June 15, 1960, to stockholders of record on June 1, 1960.

The transfer books will remain open.
UNITED STATES PIPE AND FOUNDRY COMPANY
JOHN W. BRENNAN, Secretary & Treasurer

EATON MANUFACTURING COMPANY CLEVELAND 10, OHIO DIVIDEND No. 160

On April 22, 1960, the Board of Directors declared a dividend of forty-five cents (45c) per share on the common shares of the Company, payable May 25, 1960, to shareholders of record at the close of business May 5, 1960.

R. G. HENGST, Secretary



Manufacturing plants in 18 cities, located in six states, Canada and Brazil.

**National
Distillers
and
Chemical
Corporation**



DIVIDEND NOTICE

The Board of Directors has declared a quarterly dividend of 30c per share on the outstanding Common Stock, payable on June 1, 1960, to stockholders of record on May 11, 1960. The transfer books will not close.

PAUL C. JAMESON
April 28, 1960. Treasurer

IBM

181ST CONSECUTIVE
QUARTERLY DIVIDEND

The Board of Directors of International Business Machines Corporation has today declared a quarterly cash dividend of \$.75 per share, payable June 10, 1960, to stockholders of record at the close of business on May 10, 1960.

C. V. BOULTON,
Treasurer

590 Madison Avenue
New York 22, N. Y.
April 26, 1960



INTERNATIONAL BUSINESS MACHINES CORP.

DIVIDEND NOTICES

DREWRY'S

A quarterly dividend of forty (40) cents per share for the second quarter of 1960 has been declared on the common stock, payable June 10, 1960 to stockholders of record at the close of business on May 25, 1960.

Drewrys Limited U. S. A. Inc.
South Bend, Indiana
T. E. JEANNERET,
Secretary and Treasurer

ALUMINIUM LIMITED DIVIDEND NOTICE

On April 28, 1960, a quarterly dividend of 15¢ per share in U. S. currency was declared on the no par value shares of this company, payable June 4, 1960, to shareholders of record at the close of business May 9, 1960.



JAMES A. DULLEA
Secretary

Montreal
April 28, 1960

Harbison-Walker Refractories Company

Board of Directors has declared for quarter ending June 30, 1960 DIVIDEND OF ONE and ONE-HALF (1 1/2%) PER CENT or \$1.50 per share on PREFERRED STOCK, payable July 20, 1960 to shareholders of record July 6, 1960.

Also declared a DIVIDEND of \$.45 per share on COMMON STOCK, payable June 1, 1960 to shareholders of record May 10, 1960.

The Board of Directors further declared a 3% common stock dividend payable July 1, 1960 at rate of 3 common shares for each 100 common shares held of record May 20, 1960. Fractional shares will be settled by Pittsburgh National Bank, Pennsylvania, using order forms. Broker's cut off date is June 1, 1960.

G. F. Cronmiller, Jr.
Vice President and Secretary
Pittsburgh, April 28, 1960

DIVIDEND NOTICE

GOODALL RUBBER COMPANY



COMMON AND PREFERRED DIVIDENDS

The Board of Directors has declared a quarterly dividend of 12 1/2c per share on all Common Stock outstanding and regular semi-annual dividend of \$2.50 per share on the 5% Preferred Stock, both payable May 16, 1960 to stockholders of record at the close of business May 2, 1960.

H. G. DUSCH
Vice President & Secretary

April 26, 1960

WASHINGTON AND YOU

BEHIND-THE-SCENES INTERPRETATIONS
FROM THE NATION'S CAPITAL



WASHINGTON, D. C. — More and more American business and industry are realizing that they have a tremendous stake in one of our government's youngest departments—the Department of Health, Education and Welfare.

The growing Department is putting more safeguards around the nation's health by supplementing programs of the medical professions and local governments. It is working with state and local governments in educational programs, and the Federal Government's welfare program is stupendous.

Under HEW's jurisdiction is the Public Health Service, which is building hospitals and medical centers with matching funds from local and state governments; the Office of Education, and the Social Security Administration which administers the government's ever-growing welfare programs. Also under HEW is the National Institute of Health which is spending hundreds of millions of dollars a year in research in work on cancer, heart and mental diseases, and the Food and Drug Administration.

During the next few weeks Capitol Hill will be considering legislation that would greatly expand the welfare programs of the Department. Congress, particularly in this election year, has taken on a special interest in 16,000,000 citizens who are 65 years old or older.

Welfare State Bias

Our government, aided and abetted by Congress and a large segment of the American people, continues to lean toward the Welfare State. Cradle-to-the

grave welfare programs probably will be a fixture in another generation if the present trends persist.

The Department of Health, Education and Welfare obviously will take on greater governmental importance and significance in the years ahead. It is already playing a substantial role over things we eat through the Food and Drug Administration. The cranberry interests know the pressure the Food and Drug Administration can apply as a result of the seizure last fall of a large supply of the cranberry crop.

However, authorities the world over no doubt would agree that despite the scare last fall, and intermittent seizures of food that will take place in the future, the food supply of the United States is the safest and cleanest in the world.

Foremost "Liberal"

The cabinet officer guiding HEW is Secretary Arthur S. Flemming, onetime editor and former college President. Mr. Flemming is perhaps the most "liberal" member of President Eisenhower's cabinet. The very nature of the Department would require a man who is at least "liberal" in human welfare.

Secretary Flemming is submitting to Congress the Eisenhower Administration's detailed program for voluntary health insurance for the aged. Meantime, President Eisenhower has neither approved nor disapproved any specific Administration plan. Nevertheless, he has made it clear that he is absolutely opposed to any compulsory plan.

Where's the Money Coming From?

The President is, therefore, opposed to the compulsory, House-passed Forand bill which would provide free hospitalization, nursing home care and surgery for Social Security beneficiaries.

Some doctors and hospital and insurance authorities have testified before the House Ways and Means Committee that it is true that most senior citizens need medical attention that they cannot afford. However, the simple question is: "Where is the money coming from, unless additional tax is placed on all people under social security?"

The Senate Finance Committee, headed by the esteemed American, Senator Harry Flood Byrd of Virginia, has been giving long studies to several modifications to the Forand bill. The Committee apparently favors a personal option provision for each person that pays social security taxes.

There is no doubt that nursing home care, hospitalization and surgery would cost a colossal sum of money. Yet there is at least one argument in favor of the hospital program for persons past 65.

Enforced Idleness

Because of the social security laws, many of the 65-year-olds have been forced into idleness and even poverty and sickness because the laws passed require that they give up their job, even though their physical and mental health is good and productive. Furthermore, many of these people are kept idle by the law that says they cannot earn more than \$100 a month



"Stop saying 'Ours is on the Rocks' —
I want to forget business!"

and continue to draw their social security benefits.

Secretary Flemming maintains that the government's vast welfare activities contribute to stabilizing the economy of the country. For instance, he points out that the social security payments alone add about \$10 billion each year to personal income. During the current fiscal year it is estimated that nearly \$15 billion will be spent on benefits of various kinds.

Of course, the money is deducted from the pay envelopes of millions and millions of workers each month, and the money sent to Washington and subsequently returned to the economy, minus the usual "administrative" costs.

All major food processing and packaging companies, including smaller ones not on the stock exchanges, are familiar with the food additives law administered by HEW's Food and Drug Administration. Early this year the agency issued a booklet called, "What Consumers Should Know About Food Additives."

Chemicals Help Preserve Food

The book provides for better public understanding of the food chemical and government regulation question. It was published after the cranberry crisis. It explains that the greater knowledge of food chemistry has made it possible to transport food long distances and keep it in pure condition for extended periods.

The publication points out that the addition of calcium and sodium to bread keeps the bread from molding for a period.

This is the chemical that is produced naturally in Swiss cheese during its manufacture.

Paul S. Willis, President of the Grocery Manufacturers of America, has said: "We must promote a better understanding of the great contributions which chemicals make to our good supply, starting with the growing of the crop on the farm, and in the processing, packaging and preservation of food. They are being used to improve nutritional value, texture, color and flavor which are so important in the consumer's enjoyment of good eating. . . ."

Appropriations by Congress for the Department of Health, Education and Welfare are growing. For instance, the 1954 appropriations totaled \$1,938,000; 1958, \$2,749,000,000; 1959, \$3,242,000,000, and 1960 \$3,454,000,000.

Public Health Service

The Public Health Service, as a part of HEW, had its origin when President John Adams signed it into law in 1798. The bill was introduced by Representative Edward Livingston of New York and it was entitled, "A bill for the relief of sick and disabled seamen." The act established a Marine Hospital Service and provided for a tax of 20 cents a month to be taken out of the wages of all American seamen.

Today Public Health Service with a budget of \$825,000,000 is responsible for a great many things other than hospital and medical centers. It is responsible for pollution control programs, and is experimenting

with methods for the safe disposal of radioactive waste.

Increased emphasis in the air pollution program will be given to research activities related to motor vehicle exhausts which have emerged as a primary source of air pollution in heavily populated areas.

During the current fiscal year, under the Office of Vocational Rehabilitation, also a division of HEW, it is hoped that 90,000 handicapped persons will have been trained to become productive members of society.

This program is important to both the state and national governments because it combats dependency of handicapped persons on their fellow Americans. An example: In 1959, about 16,000 persons who had been receiving public assistance were restored to productive usefulness.

[This column is intended to reflect the "behind the scene" interpretation from the nation's Capital and may or may not coincide with the "Chronicle's" own views.]

COMING EVENTS

IN INVESTMENT FIELD

May 9-10, 1960 (Atlanta, Ga.) Association of Stock Exchange Firms meeting of Board of Governors at Hotel Atlanta Biltmore.

May 11-14, 1960 (White Sulphur Springs, W. Va.) Meeting of the Board of Governors of the Investment Bankers Association.

May 14, 1960 (New York City) Wall Street Bowling League Dinner Dance at the Park Sheraton Hotel.

May 17-18, 1960 (Omaha, Neb.) Nebraska Investment Bankers Association annual Field Day.

May 19-20, 1960 (Nashville, Tenn.) Security Dealers of Nashville Spring Party; cocktails and dinner May 19 at Hillwood Country Club; outing May 20 at Bellemeade Country Club.

May 20, 1960 (Baltimore, Md.) Baltimore Security Traders Association annual spring outing at Maryland Country Club.

May 20, 1960 (Pittsburgh, Pa.) Western Pennsylvania Group of Investment Bankers Association Meeting at Rolling Rock Club, Ligonier, Pa.

May 28, 1960 (Dallas, Texas) Dallas Security Dealers Association annual spring party at the Northwood Club.

June 2-5, 1960 (Ponte Vedra, Fla.) Southern Group of Investment Bankers Association meeting.

June 3, 1960 (New York City) Bond Club of New York annual Field Day at the Sleepy Hollow Country Club, Scarborough, N. Y.

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